PRINCETON
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Annual Comprehensive Financial Report

For the Fiscal Year Ended:
September 30, 2022

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended September 30, 2022

City of Princeton, Texas

Prepared by:

City Manager
Derek Borg

Director of Finance
Carron Prigmore

CITY OF PRINCETON, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

TABLE OF CONTENTS Page

INTRODUCTORY SECTION

Letter of Transmittal..... i
Certificate of Achievement for Excellence in Financial Reporting - GFOA..... vi
Organizational Chart..... vii
Elected and Appointed Officials..... viii

FINANCIAL SECTION

Independent Auditor's Report..... 1

A. Management Discussion and Analysis..... 5

B. Basic Financial Statements

Government-wide Financial Statements:
Statement of Net Position..... 23
Statement of Activities..... 24

Fund Financial Statements

Governmental Fund Financial Statements:
Balance Sheet..... 26
Reconciliation of of Governmental Funds Balance Sheet to the Statement of Net Position..... 29
Statement of Revenues, Expenditures, and Changes in Fund Balances..... 30
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities..... 32
Statement of Revenues, Expenditures, and Changes in Fund Balances Budget to Actual..... 33

Proprietary Fund Financial Statements:
Statement of Net Position..... 34
Statement of Revenues, Expenses, and Changes in Net Position..... 35
Statement of Cash Flows..... 36

Fiduciary Statements:
Statement of Net Position - Fudiciary Funds..... 37
Statement of Changes in Fiduciary Net Position - PID Fudiciary Funds..... 38

Notes to the Basic Financial Statements..... 39

C. Required Supplementary Information:
Schedule of TMRS Funding Progress and Contributions..... 74
Schedules of Changes in Net Pension Liability and Related Ratios - TMRS..... 75
Schedule of OPEB Funding Progress and Contributions..... 76
Schedules of Changes in Total OPEB Liability..... 77

D. Combining Fund Financial Statements and Schedules
Statement of Fiduciary Net Position..... 80

CITY OF PRINCETON, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021
TABLE OF CONTENTS

Page

D. Combining Fund Financial Statements and Schedules *(continued)*

Special Revenue Funds

Combining Balance Sheet - Nonmajor Governmental Funds…. 84
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds…. 85

Budgetary Comparison Schedule - Debt Service Fund…. 87

Discretely Component Units

Balance Sheet - Component Unit - Economic Development Corporation…. 90
Reconciliation of the Governmental Fund Balance Sheet to the Statements of Net Position - Economic Development Corporation…. 91
Statement of Revenues, Expenditures, and Changes in Fund Balance - Economic Development Corporation…. 92
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Fund to the Statement of Activities - Economic Development Corporation…. 93

Balance Sheet - Component Unit - Community Development Corporation…. 94
Reconciliation of Governmental Fund Balance Sheet to the Statement of Net Position - Community Development Corporation…. 95
Statement of Revenues, Expenditures, and Changes in Fund Balance - Community Development Corporation…. 96
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Fund to the Statement of Activities - Community Development Corporation…. 97

Budgetary Comparison Schedule - Economic Development Corporation…. 98
Budgetary Comparison Schedule - Community Development Corporation…. 99

STATISTICAL SECTION (UNAUDITED)

Table

1. Net Position by Component…. 103
2. Changes in Net Position…. 104
3. Governmental Activities Tax Revenues by Source…. 108
4. Fund Balances, Governmental Funds…. 109
5. Changes in Fund Balances of Governmental Funds…. 110
6. Assessed Value and Estimated Actual Value of Taxable Property…. 112
7. Direct and Overlapping Property Tax Rates…. 113
8. Principal Taxpayers…. 114
9. Property Tax Levies and Collections…. 115
10. Ratio of Outstanding Debt by Type…. 116
11. Ratios of net General Bonded Debt Outstanding…. 117
12. Direct and Overlapping Governmental Activities Debt…. 118
13. Legal and Debt Margin Information…. 119
14. Pledged-Revenue Coverage…. 120
15. Demographic and Economic Statistics…. 121
16. Principal Employers…. 122
17. Full-Time Equivalent City Government Employees by Function/Program…. 123
18. Operating Indicators by Function…. 124
19. Capital Asset Statistics by Function/Program…. 125

INTRODUCTORY SECTION

PRINCETON

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May 22, 2023

Honorable Mayor and Members of the City Council
City of Princeton
Princeton, Texas

Dear Mayor and Council Members:

The Annual Comprehensive Financial Report ("Report") of the City of Princeton, Texas for the fiscal year ended September 30, 2022 is submitted herewith.

Management assumes full responsibility for the completeness and reliability of the information contained in this Report, based upon a comprehensive framework of internal control that is established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatement.

BrooksWatson & Co., PLLC has issued an unmodified ("clean") opinion on the City of Princeton's financial statements for the year ended September 30, 2022. The independent auditor's report is located in the beginning of the financial statement section of the Report.

This letter of transmittal is designed to complement Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements.

GENERAL INFORMATION – CITY OF PRINCETON

In the late 1870s, T.B. Wilson and his brother George began farming near the site of future Princeton. In 1881, the Missouri, Kansas and Texas Railroad Company extended its line from Greenville to McKinney, passing through land owned by the brothers. The name Wilson's Switch was commonly used to designate the area but when the residents of the community applied for a post office branch, they learned that the name Wilson was already being used. The name Princeton was then selected, to honor Prince Dowlin, a landowner and promoter of the town. This name was accepted and a post office was established in 1888.

Princeton is a rapidly growing City in Collin County, Texas. Princeton is located in northeast Collin County between the cities of McKinney and Greenville on U.S. Highway 380. Collin County is currently one of the fastest growing counties in Texas.

The City of Princeton was a Type A General Law political subdivision during FY22 and as of November 2022 is a political subdivision under a Home Rule Charter form of government. Policy-making and legislative authority are vested in the governing body, which currently consists of a Mayor and five-member council.

The financial reporting entity (the government) includes all the funds of the primary government as well as two discretely presented component units. Discretely presented component units are legally separate entities and are not part of the primary government's operation. The government provides a full range of services including police protection and a combination of paid and volunteer fire department, sanitation services; community development; code enforcement; two public parks, and a city library; the construction and operation of water, sewer, drainage, solid waste services, and infrastructure; and cultural events.

ECONOMIC CONDITIONS AND OUTLOOK

Princeton is located in the eastern part of Collin County, approximately six miles east of U.S. Highway 75 that connects Dallas to Oklahoma and on U.S. 380, the primary regional transportation artery that connects Texas to New Mexico on the west and to I-30 on the east. The City is approximately thirty-eight miles from DFW International Airport, which is centrally located between Dallas and Ft. Worth.

The neighboring City of McKinney, Texas is located immediately west of Princeton. The City of McKinney has experienced remarkable growth over the past ten years, growing to over 211,000 residents. This growth has extended to the east into Princeton and development has been steadily increasing over the past several years. Since 1980, Collin County has been a growth center in the state, moving north and reaching Princeton and other small cities over the past decade. The City issued over 1000 single-family home permits in FY22 and the number is expected to be similar again this year. The current estimated population of Princeton based on over 10,000 water meters and an average of 3 persons per household is approximately nearing the 30,000 population mark.

The City is continuing to grow as developers continue to invest in Princeton. With a cautious but optimistic approach, the city is looking at investing in some major park and infrastructure projects. The City is now fully functioning in the new City Municipal Center that is now the home of Administration, Police Department, Fire Administration, Development Services, utility billing, Parks and Rec, and Events.

Collin County is set to have over 2.4 million residents by 2050, according to the Texas Demographic Center. That's more than three times its population in 2010. Other estimates put the county's 2050 population as high as 3.5 million. According to 2017 population estimates from the U.S. Census Bureau, Dallas County had 2.6 million residents and Tarrant County just over 2 million, to put that in perspective.

A lot of the county's growth is driven by businesses moving to the area. In the last several years, dozens of companies have set up shop in Collin County.

Local Economic Indicators and Tax Rate

- The Bois D 'Arc Business Park, soon will be home to Vision 99, a large pharmaceutical company bringing approximately 150 new jobs to Princeton.
- Several new businesses including Freddy's Steakburgers, Jersey Mike's, Dunkin Donuts, Modern Nails, CiCi's Pizza, and a flagship Market Street supermarket are locating their establishments here in Princeton paving the way for many new jobs.
- The Princeton ISD continues to build new facilities to keep up with the growth. There are new elementary and middle schools, currently under construction..

- Princeton receives its water from North Texas Municipal Water District in Wylie, Texas. The District supplies water to most of the communities in North Texas, and is expanding its capability by building an additional reservoir at the Lower Bois D 'Arc Creek location. This is now complete and will serve the growth of the region well into the future.

- Standard and Poor's updated the City's bond rating in February 2021 to a "AA-" from a "AA" This opens the City up for better financing rates when the City issues bonds.

- Property tax revenues increased 14% over FY2021. It is estimated that over 17% of this increase is due to additions to the tax roll from new properties.

- Sales tax revenues increased 14% over FY2021 and is projected that this increase will continue into the new budget year.

Long Term Financial Planning and Capital Improvements

The City keeps a close eye on the sales tax and property values and works closely with the Princeton EDC to identify potential opportunities to incentivize local businesses to support our local economy. The EDC has incentivized several new businesses and has a program to help the businesses upgrade their properties, offering the property owners a 70% cost-share by the EDC for property owners that can invest up to $3,000 and receive $7,000 from the EDC. In addition to this document, interested parties are encouraged to read the FY 2023 Annual Budget. The Budget document outlines the individual components of the City's revenue and expenditures. The document also outlines strategic long-term planning principles and goals, along with the capital improvement planning and projects.

Major Capital Improvement Projects Completed, Underway or Under Design

Some of the street reconstruction projects include: Completed reconstruction on Beauchamp Blvd., a major thoroughfare connecting the south of the city to the north side, and eventually connecting to FM546 to the McKinney National Airport. Second Street is currently under reconstruction and should be completed late 2023.

Some of the new facilities include: New public park space, the city just purchased a 90 acre property that is being designed for a new regional park, more hike and bike trails, and public restrooms at the J.J. Book municipal Park. The Community Center funded by the Princeton CDC has been completed and now open for reservations and events. The next fire station on Beauchamp Blvd. is under construction and the forth fire station on FM982 and FM is currently being remodeled for 24/7 operations.

Water and wastewater projects: The new 36" wastewater line accessing the north Texas lift station and serving the peninsula is under construction and the second elevated storage tank and water mains for the south part of the City are scheduled for completion in FY23.

A detailed description and list can be found in the FY2023 budget, it outlines all of the capital improvement projects and opinions of probable cost.

Accounting Procedures and Budgetary Concepts

The City's accounting records for general government are maintained on a modified accrual basis with revenues being recorded when available and measurable, and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's water and sewer utility and other proprietary activities are maintained on the accrual basis.

In accordance with the City's Budget Policy, the budgetary process begins each year with the preparation of both current and proposed year revenue estimates by the City's Director of Finance, and expenditure estimates by each City department. Budgets are reviewed by the City Manager and the Director of Finance, and a preliminary draft of the proposed budget is submitted to the Mayor for review. Following the Mayor's review, the draft budget is referenced during budget workshops. It is the responsibility of the City Manager to present the City's annual operating budget to the City Council for their approval.

As part of each year's budget development process, departments are required to update expenditure estimates for the current fiscal year. These estimates are reviewed by the City Manager, Director of Finance, and the City Council concurrent with review of the proposed budget. This re-estimated budget may require a supplemental appropriation and, if so, such supplemental appropriation is approved by ordinance adopted by the City Council prior to the end of the current fiscal year. The legal level of budgetary control is maintained at the fund level – budget amendments increasing total expenditures within a fund require formal approval by the City Council.

It is the goal of the City to achieve and maintain an unassigned fund balance in the General Fund equal to 90 days of expenditures. If unassigned fund balance falls below the goal or has a deficiency, the City will implement a plan to restore the 90-day unassigned fund balance reserves.

During the course of the fiscal year, expenditure controls are maintained by each department head with overall review exercised by the Director of Finance. Monthly departmental expenditures are generated by an automated management accounting system and provide expenditure totals for the most recently completed month, as well as a year-to-date total, and an actual versus planned rate of expenditure. Major expenditure requests are approved by the City Council when the budget is approved.

The objective of these controls is to regulate expenditures to be in accordance with the budget and the directives of City Council. These controls are inherently limited by the segregation of duties of a small government.

General Governmental Functions

Tax Rates: All eligible property with the City is subject to assessment, levy, and collection by the City of a continuing, direct ad valorem tax sufficient to provide for the payment of principal and interest on outstanding bonds within the limits prescribed by law, and the payment of operation and maintenance costs as approved by the City Council. The City's tax rate history as adopted by the City Council is shown below:

	Tax Rate
2018-2019	0.688820
2019-2020	0.676299
2020-2021	0.651215
2021-2022	0.602549
2022-2023	0.534543

OTHER INFORMATION

Independent Audit: The City of Princeton has engaged the firm of BrooksWatson & Co., PLLC to perform the annual audit and their opinion has been included in this Report. It should be noted that the auditors included all funds in their audit, performed their audit in accordance with generally accepted auditing standards, and state that, in their opinion, the statements herein present fairly, in all material respects, the financial position of the City at September 30, 2022

and the changes in financial position and cash flows of its proprietary fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Awards and Acknowledgements

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Princeton, Texas for its annual comprehensive financial report for the fiscal year ended September 30, 2021. This was the ninth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

Many persons are responsible for the preparation of this Report, and for the maintenance of records upon which it is based. Appreciation is expressed to the City employees throughout the organization, especially those of the Finance Department who were instrumental in the successful completion of this Report.

Our appreciation is also extended to the Mayor and City Council for providing the resources necessary to maintain the integrity of the City's financial affairs.

Respectfully submitted,

Derek Borg
City Manager

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Princeton
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morrill

Executive Director/CEO

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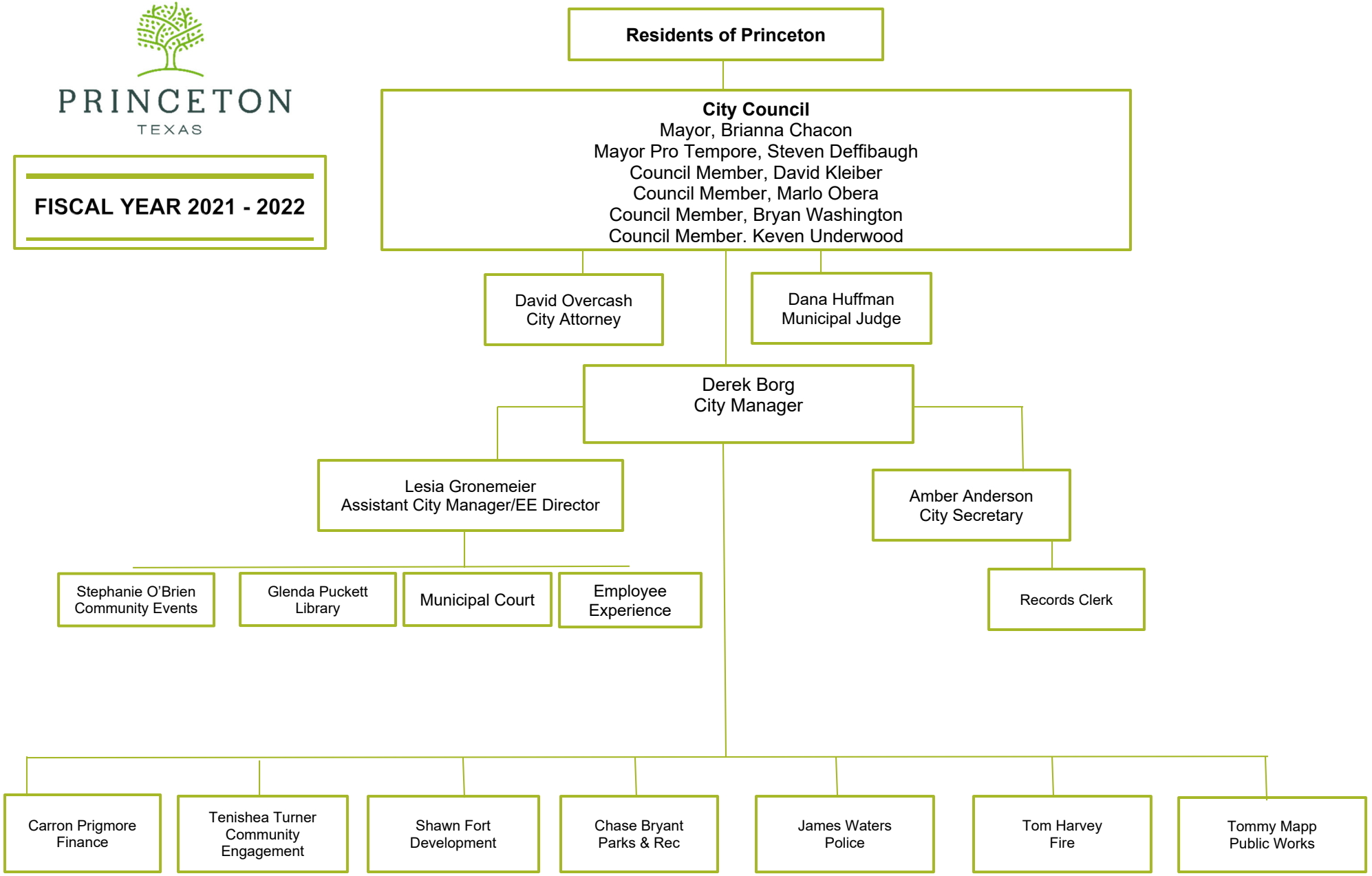
FISCAL YEAR 2021 - 2022



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CITY OF PRINCETON CITY COUNCIL

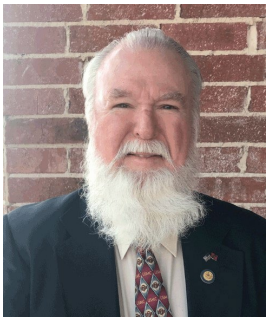
Brianna Chacon
Mayor

David Kleiber
Place 1

Marlo Obera
Place 2

Bryan Washington
Place 3

Keven Underwood
Place 4



Steven Deffibaugh
Place 5

FINANCIAL SECTION

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BROOKSWATSON & CO.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Princeton, Texas:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Princeton, Texas (the "City") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Princeton, Texas, as of September 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City of Princeton, Texas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Emphasis of Matter

Accounting Corrections

As discussed in Note T to the financial statements, the City restated the beginning net position, and the respective fund balances, within government activities, business-type activities, general fund, debt service fund, seizure fund, and the utility fund to properly reflect corrections of accounting corrections in the prior year. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of employer contributions to pension plan, schedule of changes in other postemployment benefits liability and related ratios, and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and other budgetary comparison information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

This accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory, statistical, and continuing disclosure sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on.

BrooksWatson & Co.

BrooksWatson & Co.
Certified Public Accountants
Houston, Texas
May 22, 2023

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CITY OF PRINCETON,TEXAS

MANAGEMENT DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2022

As management of the City of Princeton ("City"), we offer the readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2022. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative:

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows at the close of the fiscal year by $207,470,520 (net position). Of this amount, $137,352,838, or 67%, is net investment in capital assets. The amount of $27,485,068, or 13%, is restricted for certain purposes. The unrestricted net position of $42,632,614, or 20%, is due to more people moving into the City and customers being added to the water and wastewater infrastructure. This resulted in the Governmental Activities unresticted net position of $24,797,844 (net position) and the Business-type activities has an unrestricted net position of $17,834,770.

- The City's total net position increased by $58,307,161. With the continued growth within the City and the construction of new housing developments result in more customers being added to the water and wastewater infrastructure and ad valorem and sales tax revenues increasing and infrastructure contribution from developers.

- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of $44,640,696, an increase of $9,262,712, or 26%, in comparison with the prior year. This increase is attributed to more ad valorem tax collections and park dedication fees from developers.

- At the end of the current fiscal year, unassigned fund balance for the General Fund of $5,037,513 was 27% of total General Fund expenditures for the fiscal year.

- In the government-wide statement, the City's total long-term obligations increased by $46,587,481, or 72%. There were several debt issuances during the fiscal year. The most significant is the 2022 General Obligation in the Utility Fund for water infrastructure.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the City.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, in a manner similar to that of a private-sector business. The Statement of Net Position presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The Statement of Net Position combines and consolidates current financial resources (short-term spendable resources) with capital assets and long-term obligations of governmental and business-type funds. In order to assess the overall health or financial condition of the City, other non-financial factors should also be taken into consideration, such as changes in the City's property tax base and the condition of the City's infrastructure.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused compensated absences). Both the Statement of Net Position and the Statement of Activities are prepared utilizing the accrual basis of accounting.

The government-wide statements, pages 23-25, are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the City's basic services such as public safety, parks and recreation, and general administration. Property taxes, sales taxes and charge for services finance most of these activities. The business-type activities are those that the City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and sewer system and storm water drainage activity are reported as business-type activities. The final category is the component units. The City includes two separate legal entities in its report – the Princeton Economic Development Corporation and the Princeton Community Development Corporation. Although legally separate, these component units are important because the City is financially accountable for them.

Most of the City's basic services are reported in the governmental activities, including public safety (Police, Fire), Library, Development, Parks and Recreation, and General Administration.

The Business-type activities charge fees to customers in order to cover all or most of the cost of certain services that the City provides. The City's water and wastewater operations and the municipal drainage system are reported as business-type activities.

Component units include the Economic Development Corporation and the Community Development Corporation.

Fund Financial Statements

A fund is a self-balancing set of accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like all other governmental entities in Texas, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary fund.

Governmental Funds – Governmental funds are used to account for the majority of the City's activities, which are essentially the same functions as governmental activities in the government-wide statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as resources available for future spending at the end of the fiscal year. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. When compared with similar information in the broader government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. Reconciliation is provided that details the relationships or differences between governmental activities and governmental funds; reconciliation follows the fund financial statements.

The City maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, TIRZ Fund, Debt Service Fund, Street Project Fund, Building Project Fund, Park Project Fund and ARPA Grant Fund all of which are considered to be major funds. The basic governmental fund financial statements can be found on pages 26-33 of this report.

The City adopts an annual budget for its General Fund and Debt Service Fund, as required by the General Statutes. The budgets are a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the Council about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund and Debt Service Fund demonstrates how well the City complied with the budget ordinance and whether or not the City succeeded in providing the services as planned when the budget was adopted. The budgetary comparison schedule uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The schedule shows four columns: 1) original budget; 2) the final budget as amended by the council; 3) the actual resources, charges to appropriations, and ending balances; and 4) the difference or variance between the final budget and the actual resources and charges. The General Fund Budgetary Comparison Schedule can be found on page 33.

Proprietary Funds – The City has one type of proprietary fund – Enterprise Fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations and storm water drainage operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer operations and the storm water drainage fund.

The basic proprietary fund financial statements can be found on pages 34-36 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are found on page 39 - 71 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits and net pension liability. This information is on pages 74 - 77 of this report.

Fiduciary Responsibilities

The City is the trustee, or fiduciary, for certain amounts held on behalf of the developers. All of the fiduciary activities are reported in a separate Statement of Fiduciary Net Position. The activities of these funds are excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

The basic fiduciary fund financial statement can be found in pages 37-38.

Table 1
NET POSITION

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Current and other assets	$ 48,407,999	$39,848,692	$ 59,969,276	$ 22,514,787	$ 108,377,275	$ 62,363,479
Long-term receivables	6,828,250	2,190,827	-	-	6,828,250	-
Capital assets	116,166,767	84,206,286	95,696,983	71,593,135	211,863,750	155,799,421
Total assets	171,403,016	126,245,805	155,666,259	94,107,922	327,069,275	218,162,900
Deferred outflows	859,295	753,583	413,649	539,034	1,272,944	1,292,617
Long-term liabilities	55,287,944	41,744,581	57,185,627	25,025,307	112,473,571	66,769,888
Other liabilities	3,733,158	4,447,940	4,103,667	1,911,058	7,836,825	6,358,998
Total liabilities	59,021,102	46,192,521	61,289,294	26,936,365	120,310,396	73,128,886
Deferred inflows	509,583	168,834	51,720	57,208	561,303	226,042
Net position:						
Investment in capital assets	70,732,982	48,846,320	66,619,856	47,192,152	137,352,838	96,038,472
Restricted	17,200,800	14,912,387	10,284,268	10,032,441	27,485,068	24,944,828
Unrestricted	24,797,844	16,879,326	17,834,770	10,428,790	42,632,614	27,308,116
Total net position	$ 112,731,626	$80,638,033	$ 94,738,894	$ 67,653,383	$ 207,470,520	$ 148,291,416

As noted earlier, net position may serve over time as one useful indicator of a government's financial position. The combined net position of the City was $207,470,520 as of September 30, 2022. The City's net position increased $59,179,104 for the fiscal year ended September 30, 2022. This analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

Net invested in capital assets:
The largest portion, $137,352,838, or 67%, reflects the City's investment in capital assets (i.e., land, buildings, machinery, and equipment) less any related debt outstanding including deferred charges associated with debt that was issued to acquire or construct the capital assets and the accrued payables for capital assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these debt liabilities.

Restricted net position:
The restricted net position of $27,485,068, or 13%, of total net position represents resources that are subject to external restrictions on their use or by enabling legislation or outside third parties. Restricted net position is comprised of state/federal and contractually imposed restrictions which are: $1,640,860, or 6%, for debt service requirements, capital improvements of $25,647,175 or, 93%, that includes impact fees, PEG fees, and TIRZ ad valorem taxes, and use by court, public safety, and general government is $197,033, or 1%.

Unrestricted net position:
Unrestricted net position of $42,632,614, or 20%, is available to fund City programs to citizens and debt to creditors. The significant increase in unrestricted net position is due, in part, to increased charge for services for water and sewer services. The continued growth adds customers to the system each fiscal year.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as, for its separate governmental and business-type activities. The same situation held true to the prior years.

Table 2
CHANGES IN NET POSITION

	Governmental Activities		Business Activities		Totals	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues:						
Charges for services	$ 11,084,970	$ 11,292,107	$ 24,698,965	$ 18,404,538	$ 35,783,935	$ 29,696,645
Operating grants and contributions	2,269,245	1,170,004	-	184,293	2,269,245	1,354,297
Capital grants and contributions	25,820,010	9,315,702	19,890,661	10,440,466	45,710,671	19,756,168
General Revenues:						
Property taxes	10,014,435	8,789,551	-	-	10,014,435	8,789,551
Sales taxes	2,817,389	2,473,784	-	-	2,817,389	2,473,784
Franchise taxes	590,858	434,131	-	-	590,858	434,131
Other taxes	4,133	3,749	-	-	4,133	3,749
Investment income	336,203	27,098	180,342	8,630	516,545	35,728
Donations-not restricted for specific purpose	-	-	-	-	-	-
Miscellaneous	23,917	14,713	57,925	66,934	81,842	81,647
Total revenues	52,961,160	33,520,839	44,827,893	29,104,861	97,789,053	62,625,700
Expenses:						
General government	2,852,012	1,821,210	-	-	2,852,012	1,821,210
Public safety	7,016,634	6,136,367	-	-	7,016,634	6,136,367
Library	263,117	267,697	-	-	263,117	267,697
Public services and operations	2,132,971	1,677,660	-	-	2,132,971	1,677,660
Parks and recreation	1,378,074	1,281,216	-	-	1,378,074	1,281,216
Public works	5,426,108	5,735,515	-	-	5,426,108	5,735,515
Water and sewer	-	-	16,579,766	12,366,194	16,579,766	12,366,194
Storm water drainage	-	-	1,423,165	1,234,301	1,423,165	1,234,301
Interest on long-term debt	1,433,349	1,351,592	976,696	708,092	2,410,045	2,059,684
Total expenses	20,502,265	18,271,257	18,979,627	14,308,587	39,481,892	32,579,844
Increase/(decrease) in net position before transfers	32,458,895	15,249,582	25,848,266	14,796,274	58,307,161	30,045,856
Transfers	(226,906)	(365,070)	226,906	365,070	-	-
Increase/(decrease) in net position	32,231,989	14,884,512	26,075,172	15,161,344	58,307,161	30,045,856
Net position - beginning of year - restated	80,638,033	65,753,521	67,653,384	52,492,040	148,291,417	118,245,561
Prior period adjustments	(138,396)	-	1,010,337	-	871,941	-
Net position - end of year	$ 112,731,626	$ 80,638,033	$ 94,738,893	$ 67,653,384	$ 207,470,519	$ 148,291,417

Governmental activities increased net position by $32,231,989 during the current fiscal year, excluding prior period adjustments. Key elements of this increase are as follows:

Revenues

* Property taxes increased $1,224,884, or 4%, as a result of more properties being developed in the City and added to the tax roll.
* Sales taxes increased $343,605, or 1%, as a result of population growth in the area.
* Permits and fees increased $1,191,466, or 4%, again this fiscal year due to the continued growth of the City.
* Developer fees increased $4,071,827, or 13%, for park dedication and improvements.
* Developer contributions of street infrastructure increased $3,660,126, or 11%.

As a result of ARPA, subtitle M - Coronavirus SLFRF, the City was allocated $3,442,738. The City received the remaining 50% of the allocation of $1,724,770 in FY22. The City is claiming the full amount of the funds for planning, design installation of broadband infrastructure improvements.

Expenditures

Governmental expenditures increased $2,231,008, or 12%. An estimated $1.7 million of this increase is due to market increases being given to all employees and additional Public Safety personnel.

Revenues

Business-type activities increased net position by $26,075,172 during the current fiscal year, excluding prior period adjustment. Key elements of this increase are as follows:

* Charge for services increased $6,294,427, or 24%, as a result of residential growth adding more new customers. The City did not increase rates charged to customers for services.
* Developer contributions increased $9,435,523, or 36%. Of this $6,883,577, or 73%, is for water and sewer infrastructure and $2,551,946, or 27%, is for storm water drainage infrastructure.

Expenses

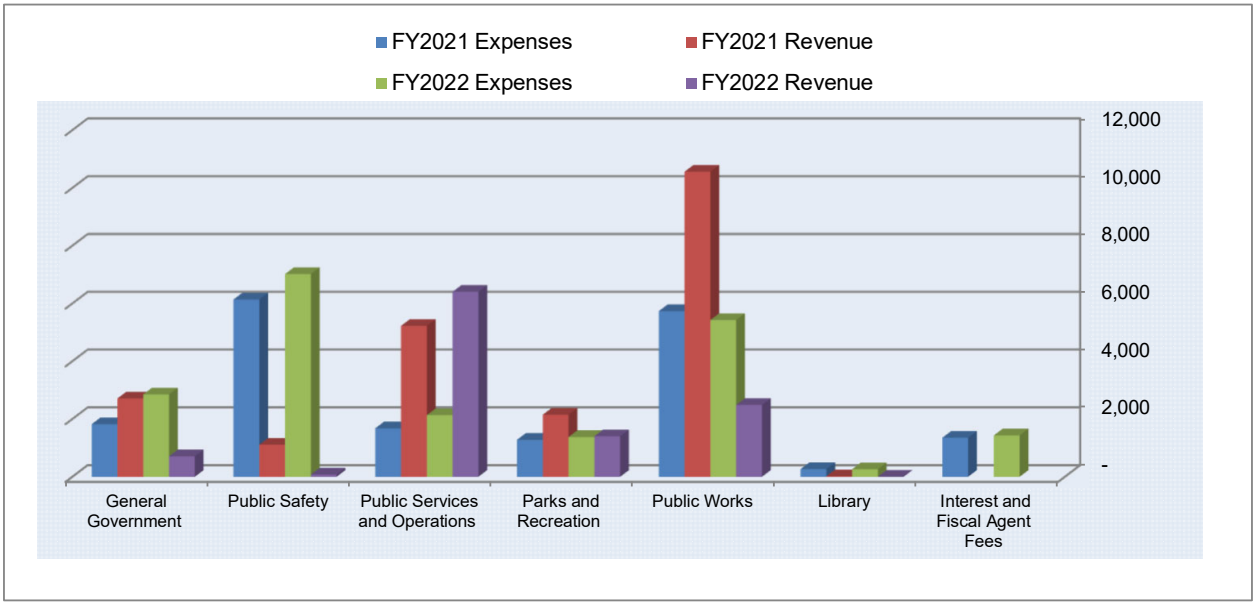
Business-type expenditures increased $4,671,040, or 33%. An estimated $1.2 million is for contract services costs for purchase of water, wastewater treatment, and garbage services. The balance of this increase is due to increases to maintain the system and utility costs. Some of the increase is due to inflation of prices for fuel, repairs, and chemicals.

PRINCETON
TEXAS

Expenses and Program Revenues - Governmental Activities

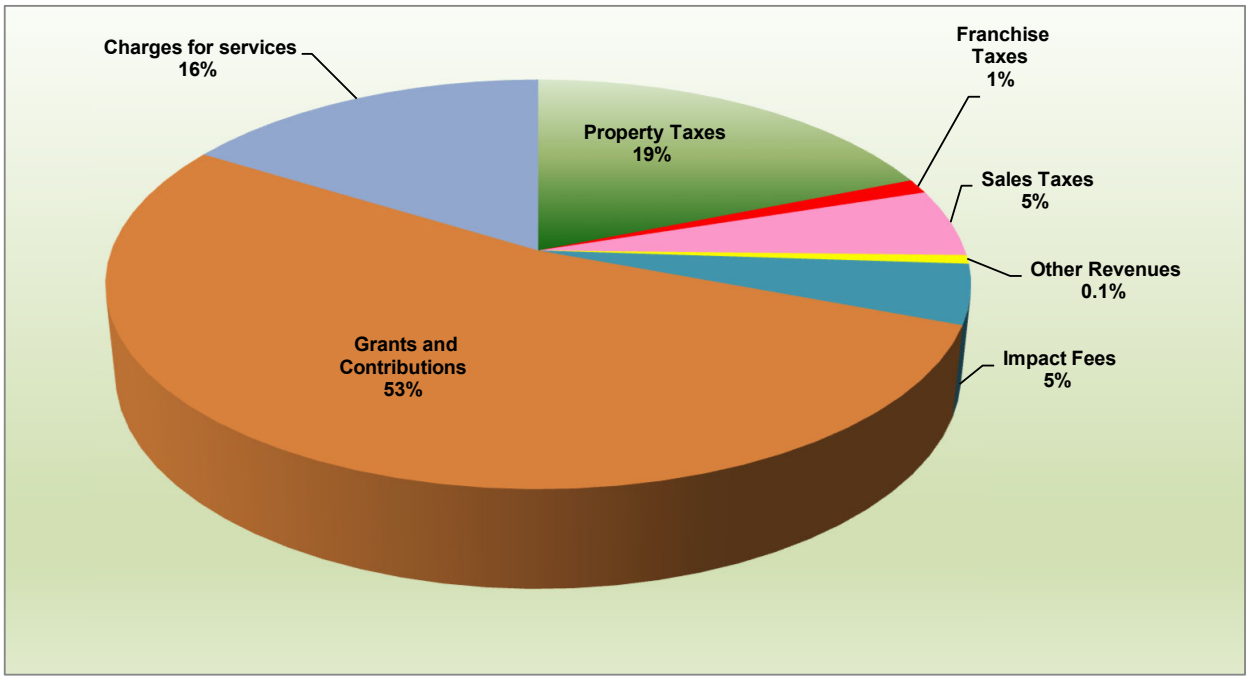
The following chart illustrates the relationship between expenses and program revenues for governmental-type activities:

(amounts expressed in thousands)



The following chart visually illustrates the City's revenues by sources for governmental activities:

Revenues by Source - Governmental Activities



Program revenues for the City's governmental activities increased $17,396,412, or 80% when compared to FY21. This is due to an increase in developer contributions of roadway infrastructure of $3,660,126, or 52%, and park dedication fees from developers increased $4,472,049, or 223%. These are the largest increases over the prior year.

Other significant increase were as follows:

* Property tax collections increased $1,224,884, or 14%;
* Sales tax collections increased $1,099,241, or 94%;
* Building permits and license fees increased $1,191,466, or 24%;

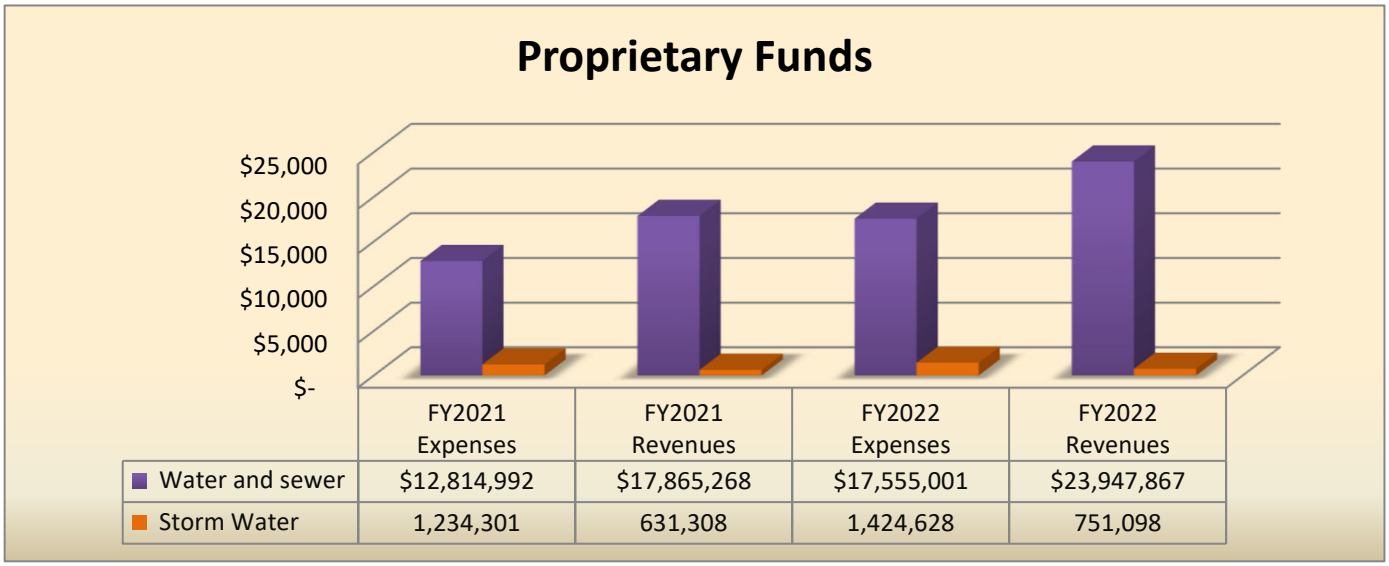
Expenditures for the City's governmental activities increased $2,097,142, or 11%. This is due in large part to the payroll market increases and the hiring of additional personnel in the Fire and Police Departments.

PRINCETON
TEXAS

Expenditures and Program Revenues - Business-type Activities

Revenues - The following chart visually illustrates the City's revenue by sources for business-type activities:

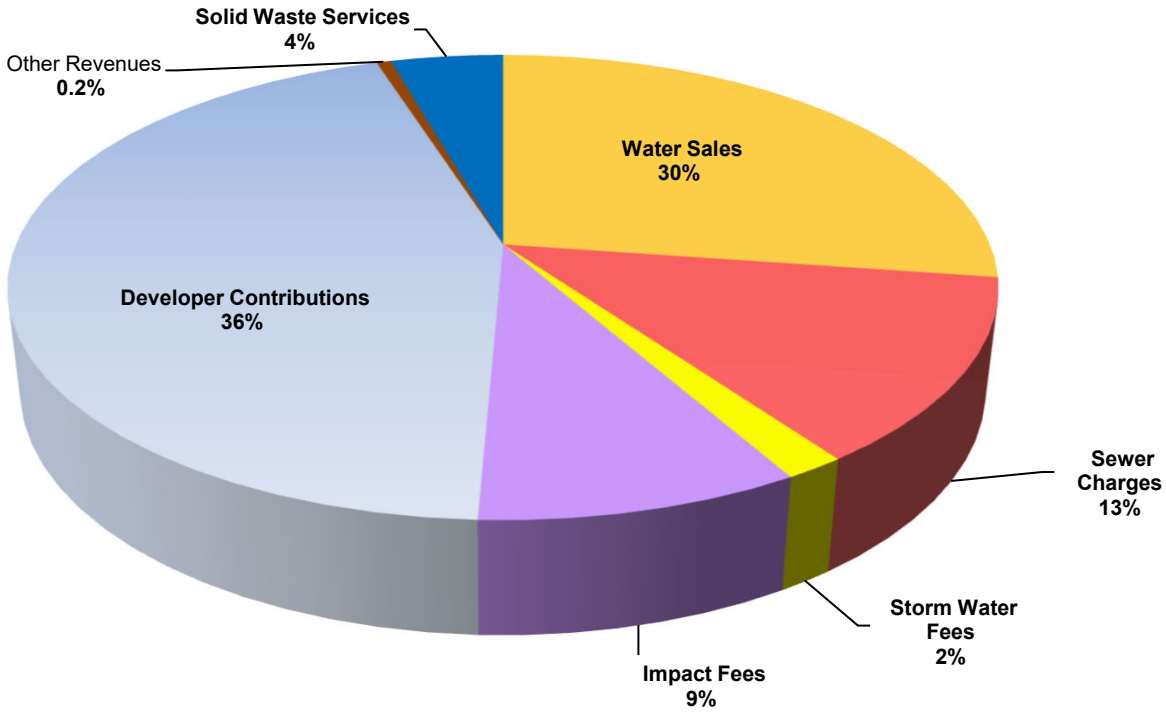
(amounts expressed in thousands)



	FY2021 Expenses	FY2021 Revenues	FY2022 Expenses	FY2022 Revenues
Water and sewer	$12,814,992	$17,865,268	$17,555,001	$23,947,867
Storm Water	1,234,301	631,308	1,424,628	751,098

Revenues by Source - Business-type Activities

Revenues - The following chart visually illustrates the City's revenue by sources for business-type activities:



Program revenues from business-type activities increased, $15,560,329, or 54%, when compared to the prior fiscal year. Charge for services increased, $6,294,427, or 54%, due to contuation of customers being added to the system. The City did not increase customer rates for services. An estimated 2,100 new customers were added to the City's water and sewer infrastructure usage.

Capital and operating grants and contributions increased approximately 89%, due to more infrastructure contributions from developers when compared to the prior fiscal year.

Overall expenses for business-type activities increased $4,295,948, or 30%. This increase was expected with the continued growth of the City and demand for services such as the solid waste collection. The cost for this service increased $411,051, or 26%, when compared to the prior fiscal year. Purchase of water increased $458,164, or 28% and cost of wastewater treatment increased $424,484, or 32%.

Storm Water Drainage Fund expenses increased slightly $186,694, or 15%, when compared to the prior fiscal year.

PRINCETON
TEXAS

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Specifically, unassigned fund balance serves as a useful measure of the City's resources available for spending at the end of the fiscal year.

At September 30, 2022, the City's governmental funds reported combined ending fund balances of $44,632,465, a 26% increase in comparison with the prior year, excluding prior period adjustment. Of this amount, $5,037,513, or 11%, is unassigned fund balance.

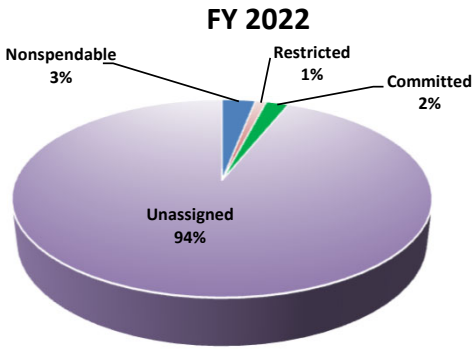
- Nonspendable fund balance of $174,453, or 0.4%, of total fund balance consists of amounts that are not spendable in form and are contractually required to be maintained intact. These amounts are as follows:
  - $107,555, or 61.7%, is for prepaid items; and
  - $66,898, or 38.3%, is for inventory of fuel and IT equipment.

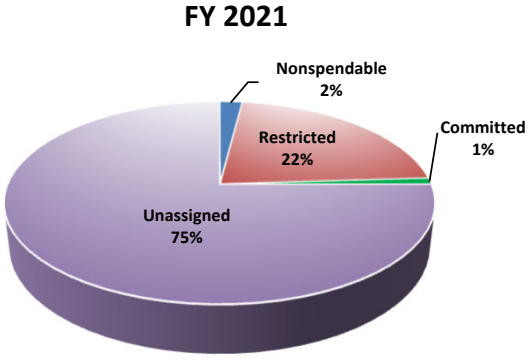
- Restricted fund balances of $28,729,925, or 64.4%, of total fund balance consists of amounts restricted by external laws or contractual obligations. These are as follows:
  - $1,640,860, or 5.7%, for debt service requirements;
  - $197,033, or .7%, for state imposed restrictions for use of court fees and police;
  - $3,461,276, or 12.%, for planning, design and installation of broadband services. This will be financed with funds from ARPA Grant.
  - $11,817,293, or 41.1%, for capital improvements that include:
    $5,682,455 for the construction for a new fire station (FS#2); $19,241,921 for street improvements; $7,834,377 for improvements, acquisition and design and planning for new Park and Recreation building; and $822,370 for infrastructure improvements.

- Committed fund balance of $10,671,261, or 24%, that was approved by the City Council is for capital replacement and improvements as follows:
  - $10,602,279, or 99.4%, for parks and recreation capital replacement and park improvements;
  - $24,937, or .2%, for public safety for capital replacement;
  - $27,545, or .3%, for public works for capital replacement; and
  - $16,500, or .2%, for development for capital replacement.

- Assigned fund balance of $27,544, or %, of total fund balance, are as follows:
  - $0, or %, is for the parks and recreation by collection of negotiated PID fee from developer.
  - $27,544, or 100%, is for public safety.

The General Fund is the chief operating fund of the City and had an unassigned fund balance of $5,037,513, at the end of the current fiscal year. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total expenditures. Unassigned fund balance represents 27% of total General Fund expenditures.





The General Fund's fund balance decreased ($3,546,064), or (65%) , over the prior year excluding prior period adjustment. Key factors of this increase are as follows:

- Total General Fund revenues decreased ($19,136), or (0.1%), when compared to the prior year. Property tax revenues increased $793,602, or 17%, as a result of additional properties added in the current year and increases in assessed property values. The City's overall ad valorem tax rate decreased by (7%) from $0.651215 to $0.602549 per $100 per property value. Licenses and permit revenues increased ($313,933), or 13%, as a result of the City's population upward Intergovernmental revenues increased ($2,222,793), or 10%, primarily due to the ARPA monies received of $1,724,770.

- Expenditures increased $5,721,807, or 45%, primarily due to market increases given to all City employees and additional personnel being hired in the Police Department and Fire Department of $1.7 million. The purchase of land for a future park was purchased in the amount of $3.1 million.

The Debt Service Fund's fund balance increased $31,973, or 2% , all of which is restricted for the payment of debt. This slight increase in the fund balance is due to more property taxes being collected.

The TIRZ Funds' fund balance at the end of the fiscal year is $1,648,489, which is a decrease of 50%. This decrease is due to eligible street projects that remain ongoing at the end of the current fiscal year.

The Capital Improvements Funds' fund balances at the end of the fiscal year is $13,555,226, which is an increase of 14%. when compared to the prior year. Key factors are noted as follows:

Bond proceeds of $5.7 million was secured for street improvements and the remaining 50% funding from Collin County of $3.9 million was received for the Myrick Lane project.

Construction of Myrick Lane begin in the current fiscal year. The cost in the current fiscal year is $8,774,334. This project is funded with total of $7.9 million from Collin County and elegible monies from the TIRZ Fund.

Bond proceeds of $6,075,000 was secured for the construction of Fire Station #2. This project began in late FY22 and expected completion in mid-2023.

Developer fees for park infrastructure increased $4,071,827, or 293% and $5.5 million in bond proceeds was secured for park improvements. Several park improvements began in the current fiscal year including JJ Book Wilson Park and the completion of the Municipal Complex park.

General Fund Budgetary Highlights: During the fiscal year, the City revised the budget. Generally, budget amendments fall into one of three categories: (1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; (2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and (3) increase in appropriations that become necessary to maintain services.

During the current fiscal year, the actual expenditures were $18.4 million compared to the final budget amount of $19.9 million. Actual expenditures on a budgetary basis were $4.6 million higher than the original budget and $1.5 million lower when compared to the final budget. Increases to the original budget were due to increases in IT equipment and software costs. This is due in large part to the needs of new personnel being hired and necessary increases to the system.

For the current fiscal year, revenues were $3.2 million above the final budget. Even with the decrease in the final budget when compared to the original budget, revenues increased in permits and sales tax collections with the continued growth of the City

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Water and Sewer Fund net position of $77,562,855, increased 39% over the prior year. In the current fiscal year, The total operating revenues are $19,994,702, while operating expenses are $16,047,005. Operating income increased in the current fiscal year by $2,301,148, due to the addition of an estimated 2,000 customers added to the system. Water rates did not change from the prior year. Contractual payments to NTMWD increased $882,649, and this is an increase of 26%. With additional customers being added to the system, more water was purchased and wastewater service increased.

The Storm Water Drainage Fund net position of $17,176,037, increased 43% over the prior year. The rates did not increase during the year. Operating revenues of $751,102 is an increase of 19% over the prior year. Operating expenses increased by $187,235 due to operatinal costs during the fiscal year.

Capital Assets and Debt Administration

Capital assets - The City's investment in capital assets for its governmental and business-type activities as of September 30, 2022, totals $211,863,750 (net of accumulated depreciation). These assets include land, buildings, improvements, infrastructure, machinery & equipment, vehicles and construction in progress. The total increase in capital assets for the current fiscal year was approximately 30%.

Major capital asset events during the current fiscal year included the following:

- Contribution of street infrastructure from developers $ 10,673,708
- Completion of City Hall complex $ 18,229,211
- Contribution of water/sewer infrastructure from developers $ 19,875,989
- Contribution of storm water drainage infrastructure from developers $ 5,792,919
- Completion of Forest Grove pump station $ 15,200,000
- Several major infrastructure improvement projects ongoing or completed for streets and water/sewer

Capital Assets
(net of accumulated depreciation)
September 30, 2022

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Land	$ 5,217,124	$ 2,107,212	$ 286,763	$ 286,763	$ 5,503,887	$ 2,393,975
Infrastructure	68,151,298	53,550,247	84,283,754	54,420,935	152,435,052	107,971,182
Building & improvements	23,708,090	5,885,360	106,824	112,410	23,814,914	5,997,770
Machinery & equipment	1,773,136	1,936,469	232,095	438,957	2,005,231	2,375,426
Right-to-use equipment	391,383	-	82,506	-	473,889	-
Construction in progress	16,925,736	20,726,998	10,705,041	16,334,070	27,630,777	37,061,068
Total	$ 116,166,767	$ 84,206,286	$ 95,696,983	$ 71,593,135	$ 211,863,750	$ 155,799,421

More detailed information about the City's capital assets is presented in Note F to the financial statements.

Capital Improvement Program for Fiscal Year 2023

Street Improvements. The City plans to spend $13.8 million on street infrastructure improvements and enhancements. These improvements include $3.6 million on Beauchamp Blvd for the completion of a new four-lane boulevard, $4.3 million for Myrick Lane to complete a four-lane section, $3.3 million for the reconstruction of 2nd Street, and $1.2 million for the reconstruction of Teakwood Drive. The remaining funds will be used for a variety of projects totaling $1.4 million.

Parks and Recreation. Estimated expenditures of $3.9 million for the completion of the JJ Book Memorial Park, begin the planning and design of a Parks & Recreation Building and complete the design on Veteran's Memorial Park.

Public Safety. Complete the construction for Fire Station #2 with a total cost of $6,000,000.

Long-term Debt - As of September 30, 2022, the City had a total of $110,226,434 in long-term obligations. This represents an increase of $46,587,481, or 72%, in comparison with the prior year.

Outstanding Debt
September 30, 2022

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
General Obligation Bonds & Certificates of Obligation	$ 43,063,786	$ 33,602,200	$ 27,260,603	$ 7,068,638	$ 70,324,389	$ 40,670,838
Tax Note	10,180,000	5,070,000	-	-	10,180,000	5,070,000
Contractual Obligations	-	-	29,545,000	16,920,000	29,545,000	16,920,000
Leases payable	1,067,783	1,678,530	81,107	271,430	1,148,890	1,949,960
	$ 54,311,569	$ 40,350,730	$ 56,886,710	$ 24,260,068	$ 111,198,279	$ 64,610,798

During FY22, the City issued $6 million in Tax Notes, refinanced old bonds, issued $10.8 million for street and park improvements, and $32 million in for water/sewer infrastructure improvements.

More detailed information about the City's long-term obligations is presented in Note H-K to the financial statements.

The City's Water and Sewer General Obligation bonds carry an AA- rating and the GTUA contractual obligations carry an AA+/Stable by Standard and Poor's. Fitch has rated all other City debt with an AA-.

The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services including the payment of principal and interest on General Obligation long-term debt.

PRINCETON
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Economic Factors and Next Year's Budgets and Rates

While recognizing the challenges that the City has faced and will face over the next few years, the elected officials and appointed officials continue to focus on the organizational and community values that the citizens of Princeton have come to expect. Again in FY2023, the City's ad valorem tax rate was lowered from 60.2549 cents to 53.4543 cents per $100 of assessed property valuation.

The City of Princeton, Texas continues to be financially strong. The priority for fiscal year 2023 continues to be maintaining quality service while observing prudent spending practices.

The annual budget defines the service priorities and projects financial resources for the City. The increase in property values and resulting revenues and the increase in sales tax receipts will enable us to increase funding for the repair maintenance for infrastructure, take care of personnel, maintain financial policies and bond ratings and serve our citizens through existing service offerings and Public Safety programs.

The largest single revenue source for the General Fund budget is property taxes and this accounts for 38% of total revenues. Assessed property values in Princeton increased 47% from the prior year, including $1,925,292 in new property added to the tax roll. Sales tax revenues are estimated to increase 7.5%.

NTMWD will increase from $2.99 per 1,000 gallons to $3.39 per 1,000 gallons for the City's purchase of water. The annual charge for wastewater services will increase 42% over FY22. These increases are necessary to support the expansion of, and improvemenets to, the District's water treatment operations and ensure that the regions has adequate supply of drinking water for many year into the future. Additionally, these increases have been required to pay for debt service and increased treatment and operational costs.

Requests for Information

This report is designed to provide an overview of the City's finances for those with an interest in the government's finances. Questions concerning the information found in this report or requests for additional financial information should be directed to the Director of Finance, 2000 E. Princeton Drive, Princeton Texas 75407.

PRINCETON

TEXAS

BASIC FINANCIAL STATEMENTS

PRINCETON

TEXAS

CITY OF PRINCETON, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

	Primary Government			Component Unit	
	Governmental Activities	Business-type Activities	Total	EDC	CDC
ASSETS					
Cash and cash equivalents	$ 3,031,277	$ 2,430,370	$ 5,461,647	$ 721,796	$ 205,012
Investments	10,369,634	11,842,157	22,211,791	3,444,204	1,496,931
Receivables, net of allowance for uncollectibles	744,258	2,971,330	3,715,588	254,719	254,719
Inventory	66,898	115,500	182,398	-	-
Prepayments and other assets	107,555	13,681	121,236	-	-
Restricted assets:					
Cash and cash equivalents	2,801,866	2,432,696	5,234,562	-	-
Investments	31,148,555	31,751,298	62,899,853	-	-
Long-term receivables - component units	293,655	-	293,655	-	-
Deposits held in trust-GTUA	-	8,314,446	8,314,446	-	-
Receivables	137,956	97,798	235,754	-	-
Noncurrent long-term receivable					
Component units	6,534,595	-	6,534,595	-	-
Capital assets not being depreciated					
Land	5,217,124	286,763	5,503,887	1,433,663	-
Construction in progress	16,925,736	10,705,041	27,630,777	1,314,456	-
Capital assets, net of accumulated depreciation:					
Machinery and equipment	1,773,136	232,095	2,005,231	-	-
Right-to-use leased equipment	391,383	82,506	473,889	-	-
Buildings and improvements	23,708,090	106,824	23,814,914	-	1,428,178
Infrastructure	68,151,298	84,283,754	152,435,052	453,090	-
Total Assets	171,403,016	155,666,259	327,069,275	7,621,928	3,384,840
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge for refunding	67,064	235,968	303,032	-	-
Deferred pension outflows	760,748	168,765	929,513	-	-
Deferred OPEB outflows	31,483	8,916	40,399	-	-
Total deferred outflow of resources	859,295	413,649	1,272,944	-	-
LIABILITIES					
Accounts payable	2,387,236	1,986,522	4,373,758	34,960	61,199
Retainage payable	543,177	268,516	811,693	64,051	4,166
Other accrued liabilities	596,078	107,020	703,098	-	-
Accrued interest payable	206,667	102,730	309,397	-	-
Customer deposits	-	1,638,879	1,638,879	-	-
Non-current liabilities:					
Due within one year	3,481,364	845,428	4,326,792	51,230	404,425
Due in more than one year	51,806,580	56,340,199	108,146,779	801,980	5,570,615
Total Liabilities	59,021,102	61,289,294	120,310,396	952,221	6,040,405
DEFERRED INFLOWS OF RESOURCES					
Deferred pension inflow	498,135	48,355	546,490	-	-
Deferred OPEB inflow	11,448	3,365	14,813	-	-
Total deferred inflow of resources	509,583	51,720	561,303	-	-
NET POSITION					
Net investment in capital assets	70,732,982	66,619,856	137,352,838	1,019,946	(53,957)
Restricted for:					
Debt service	1,640,860	-	1,640,860	-	-
Public safety	29,445	-	29,445	-	-
Use of impact fees	3,878,842	9,287,327	13,166,169	-	-
Capital improvements, including PEG fees	9,835,576	-	9,835,576	-	-
Storm water use	-	996,941	996,941	-	-
Court use	167,588	-	167,588	-	-
Tax increment financing	1,648,489	-	1,648,489	-	-
Unrestricted	24,797,844	17,834,770	42,632,614	5,649,761	(2,601,608)
Total Net Position	$ 112,731,626	$ 94,738,894	$ 207,470,520	$ 6,669,707	$ (2,655,565)

The notes to the financial statements are an integral part of this financial statement

CITY OF PRINCETON, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Function/Program Activities				
Primary Government				
Governmental Activities:				
General government	$ 2,852,012	$ 709,523	$ 1,967,840	$ 49,090
Public Safety	7,016,634	75,886	250,677	-
Library	263,117	5,964	50,340	-
Public services and operations	2,132,971	6,404,024	-	-
Parks and recreation	1,378,074	1,402,869	388	10,514,444
Public works	5,426,108	2,486,704	-	15,256,476
Interest on long-term debt	1,433,349	-	-	-
Total governmental activities	20,502,265	11,084,970	2,269,245	25,820,010
Business-type Activities:				
Water and sewer	17,555,001	23,947,867	-	14,097,742
Storm water drainage	1,424,626	751,098	-	5,792,919
Total business-type activities	18,979,627	24,698,965	-	19,890,661
Total primary government	39,481,892	35,783,935	2,269,245	45,710,671
Component Unit				
Economic Development Corporation	466,066	1,310,815	-	-
Community Development Corporation	5,903,341	-	112,490	-
Total component unit	$ 6,369,407	$ 1,310,815	$ 112,490.00	$ -

General revenues:
Property taxes
Sales taxes
Franchise taxes
Beverage taxes
Investment income
Miscellaneous
Transfers
Total general revenues and transfers
Change in net position
Net position - beginning
Prior period adjustment
Net position - ending

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Unit	
Governmental Activities	Business Activities	Total	EDC	CDC
$ (125,559)	$ -	$ (125,559)	$ -	$ -
(6,690,071)	-	(6,690,071)	-	-
(206,813)	-	(206,813)	-	-
4,271,053	-	4,271,053	-	-
10,539,627	-	10,539,627	-	-
12,317,072	-	12,317,072	-	-
(1,433,349)	-	(1,433,349)	-	-
18,671,960	-	18,671,960	-	-
-	20,490,608	20,490,608	-	-
-	5,119,391	5,119,391	-	-
-	25,609,999	25,609,999	-	-
18,671,960	25,609,999	44,281,959	-	-
-	-	-	844,749	-
-	-	-	-	(5,790,851)
$ -	$ -	$ -	$ 844,749	$ (5,790,851)
$ 10,014,435	$ -	$ 10,014,435	$ -	$ -
2,817,389	-	2,817,389	1,408,694	1,408,694
590,858	-	590,858	-	-
4,133	-	4,133	-	-
336,203	180,342	516,545	26,684	9,598
23,917	57,925	81,842	-	-
(226,906)	226,906	-	-	-
13,560,029	465,173	14,025,202	1,435,378	1,418,292
32,231,989	26,075,172	58,307,161	2,280,127	(4,372,559)
80,638,033	67,653,383	148,291,416	4,242,953	1,769,416
(138,396)	1,010,337	871,941	146,626	(52,424)
$ 112,731,626	$ 94,738,892	$ 207,470,518	$ 6,669,706	$ (2,655,567)

CITY OF PRINCETON, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	General Fund	TIRZ Funds	Debt Service Fund	Street Project Funds	Building Project Fund
ASSETS					
Cash and cash equivalents	$ 1,357,383	$ -	$ -	$ -	$ -
Investments	4,128,186	-	-	-	1,239,264
Receivables, net of allowance for uncollectibles	744,258	-	-	-	-
Long-term receivables - component units	-	-	6,828,250	-	-
Prepayments and deposits	107,555	-	-	-	-
Inventory - fuel	66,898	-	-	-	-
Restricted assets:					
Cash and cash equivalents	-	82,880	35,118	1,928,022	575,882
Investments	-	1,508,088	1,605,742	13,571,552	6,504,825
Receivables	-	57,521	80,435	-	-
Total Assets	6,404,280	1,648,489	8,549,545	15,499,574	8,319,971
LIABILITIES					
Accounts payable	444,823	-	-	1,296,679	150,447
Retainage payable	-	-	-	435,224	22,080
Accrued expenditures	257,439	-	-	-	-
Accrued liabilities	126,194	-	-	212,445	-
Total Liabilities	828,456	-	-	1,944,348	172,527
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	120,744	-	80,435	-	-
Unavailable revenues-receivable	-	-	6,828,250	-	-
Unavailable revenue-court	39,627	-	-	-	-
Total Deferred Inflows of Resources	160,371	-	6,908,685	-	-
Fund Balances					
Nonspendable					
Prepaids	107,555	-	-	-	-
Inventory	66,898	-	-	-	-
Restricted for:					
Court use	-	-	-	-	-
Public safety	-	-	-	-	-
Debt service	-	-	1,640,860	-	-
PEG	79,596	-	-	-	-
Tax increment financing #1	-	1,643,747	-	-	-
Tax increment financing #2	-	4,742	-	-	-
Capital improvements	-	-	-	13,555,226	8,147,444
Committed to:					
Parks and recreation	27,365	-	-	-	-
Public safety	24,937	-	-	-	-
Public works	27,545	-	-	-	-
Development	16,500	-	-	-	-
Assigned to:					
Public safety	27,544	-	-	-	-
Unassigned	5,037,513	-	-	-	-
Total Fund Balance	5,415,453	1,648,489	1,640,860	13,555,226	8,147,444
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 6,404,280	$ 1,648,489	$ 8,549,545	$ 15,499,574	$ 8,319,971

Park Project Funds	ARPA Grant Project Fund	NonMajor Funds	Total
$ 1,644,449	$ -	$ 29,445	$ 3,031,277
5,002,184	-	-	10,369,634
-	-	-	744,258
-	-	-	6,828,250
-	-	-	107,555
-	-	-	66,898
-	-	179,964	2,801,866
4,497,071	3,461,277	-	31,148,555
-	-	-	137,956
11,143,704	3,461,277	209,409	55,236,249
482,917	-	12,376	2,387,242
85,873	-	-	543,177
-	-	-	257,439
-	-	-	338,639
568,790	-	12,376	3,526,497
-	-	-	201,179
-	-	-	6,828,250
-	-	-	39,627
-	-	-	7,069,056
-	-	-	107,555
-	-	-	66,898
-	-	167,588	167,588
-	-	29,445	29,445
-	-	-	1,640,860
-	-	-	79,596
-	-	-	1,643,747
-	-	-	4,742
-	3,461,277	-	25,163,947
10,574,914	-	-	10,602,279
-	-	-	24,937
-	-	-	27,545
-	-	-	16,500
-	-	-	27,544
-	-	-	5,037,513
10,574,914	3,461,277	197,033	44,640,696
$ 11,143,704	$ 3,461,277	$ 209,409	$ 55,236,249

PRINCETON

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CITY OF PRINCETON, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

Total fund balances - governmental funds balance sheet	$ 44,640,696
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Governmental capital assets	138,910,665
Less: accumulated depreciation/amortization	(22,743,898)
Long-term liabilities that pertain to governmental funds are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position. Included with amounts related to net pension liability are deferred outflows of resources and deferred inflows of resources that are attributable to the multiple-employer pension plan. Balances at year-end are:	
Bonds payable - General Obligation and Certificates of Obligation	(39,503,600)
Premiums and discounts incurred with issuance of debt - deferred and amortized	(3,560,187)
Tax Note payable	(10,180,000)
Capital Leases payable	(673,094)
Right-to-Use leases payable	(394,688)
Compensated absence balances	(729,869)
Net pension liabilities	(108,713)
Net OPEB liabilities	(137,793)
Deferred inflow/outflow of resources - bond charges	67,064
Deferred inflow/outflow of resources - pension	262,617
Deferred inflow/outflow of resources - OPEB	20,035
Interest payable on long-term debt does not require current financial resources, therefore, interest payable is not reported as a liability in the govenmental funds balance sheet.	(206,667)
Revenues earned but not available within sixty days of the year end are not recognized as revenue on the fund financial statements.	7,069,058
Net position of governmental activities - statement of net position	$ 112,731,626

CITY OF PRINCETON, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	General Fund	TIRZ Funds	Debt Service	Street Project Funds	Building Project Funds	Park Project Funds
REVENUE						
Taxes:						
Property	$5,531,584	$ 717,411	$3,735,194	$ -	$ -	$ -
Sales	2,139,300	678,089	-	-	-	-
Beverage	4,133	-	-	-	-	-
Franchise	602,533	-	-	-	-	-
Fines and forfeitures	265,233	-	-	-	-	-
Licenses and permits	2,811,222	-	-	-	-	-
Charge for services	4,329,628	-	-	-	-	-
Impact fees	-	-	-	2,486,704	-	-
Donations	41,182	-	-	-	-	450,073
Developer fees	-	-	-	-	-	6,024,380
Intergovernmental revenue	556,843	-	610,753	3,998,755	-	-
Rental income	12,000	-	-	-	-	-
Investment income	59,329	8,087	13,715	107,528	70,573	65,234
Miscellaneous	25,667	-	-	-	-	-
Total revenues	16,378,654	1,403,587	4,359,662	6,592,987	70,573	6,539,687
EXPENDITURES						
Current:						
General government	2,348,659	1,215	2,291	-	-	-
Public safety	6,613,336	-	-	-	-	-
Library	236,204	-	-	-	-	-
Public works	1,145,984	-	-	26,165	-	-
Public services and operations	2,147,822	-	-	-	-	-
Parks and recreation	988,122	-	-	-	-	-
Capital outlays:						
General government	105,618	-	-	-	3,360,229	-
Public safety	309,744	-	-	-	474,411	-
Library	13,700	-	-	-	-	-
Public services	60,762	-	-	-	-	-
Public works	38,418	-	-	13,907,310	-	-
Parks and recreation	3,187,911	-	-	-	92,034	4,788,665
Debt service:						
Principal retirement	1,154,264	-	2,865,000	-	-	-
Issuance cost	-	-	227,956	-	-	-
Interest	57,576	-	1,427,631	-	-	-
Total expenditures	18,408,120	1,215	4,522,878	13,933,475	3,926,674	4,788,665
Excess (deficiency) of revenues over expenditures	(2,029,466)	1,402,372	(163,216)	(7,340,488)	(3,856,101)	1,751,022
OTHER FINANCING SOURCES (USES)						
Transfers in/(out)	(1,870,529)	(3,066,449)	(378,296)	(1,948,695)	(757,404)	6,068,077
Right-to-Use Lease Proceeds	332,566	-	-	-	-	-
Refunding of bonds	-	-	(2,709,510)	-	-	-
Bond Proceeds	-	-	2,473,600	10,800,000	6,075,000	-
Bond Premium/Discount	-	-	809,395	-	-	-
Sale of assets	21,365	-	-	133,941	-	-
Total other financing sources (uses)	(1,516,598)	(3,066,449)	195,189	8,985,246	5,317,596	6,068,077
Net change in fund balances	(3,546,064)	(1,664,077)	31,973	1,644,758	1,461,495	7,819,099
Fund balances, beginning	8,897,797	3,312,566	1,608,887	11,910,468	6,685,949	2,755,815
Prior period adjustments	63,720	-	-	-	-	
Fund balances, ending	$5,415,453	$1,648,489	$1,640,860	$13,555,226	$8,147,444	$10,574,914

The notes to the financial statements are an integral part of this financial statement

ARPA Grant Project Fund	NonMajor Funds	Total Governmental Funds
$ -	$ -	$ 9,984,189
-	-	2,817,389
-	-	4,133
-	-	602,533
-	30,400	295,633
-	-	2,811,222
-	-	4,329,628
-	-	2,486,704
-	-	491,255
-	-	6,024,380
1,724,771	1,668	6,892,790
-	-	12,000
11,735	-	336,201
-	30,933	56,600
1,736,506	63,001	37,144,657
-	-	2,352,165
-	-	6,613,336
-	-	236,204
-	-	1,172,149
-	10,369	2,158,191
-		988,122
-	-	3,465,847
-	-	784,155
-	-	13,700
-	-	60,762
-	-	13,945,728
-	-	8,068,610
-	-	4,019,264
-	-	227,956
-	-	1,485,207
-	10,369	45,591,396
1,736,506	52,632	(8,446,739)
1,724,771	1,619	(226,906)
-	-	332,566
-	-	(2,709,510)
-	-	19,348,600
-	-	809,395
-	-	155,306
1,724,771	1,619	17,709,451
3,461,277	54,251	9,262,712
-	198,271	35,369,753
-	(55,488)	8,232
$ 3,461,277	$197,034	$ 44,640,697

CITY OF PRINCETON, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Net change in fund balances - statement of revenues, expenditures and changes in fund balances - governmental funds	$ 9,262,712
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense. This is the amount of capital outlay during the current period.	26,338,802
Governmental funds focus on current financial resources. Therefore, donations of assets that will be used in operations rather than sold are never reported in governmental funds.	10,800,827
Depreciation/amortization on capital assets and right-to-use capital assets is reported in the statement of activities but does not require the use of current financial resources. Therefore, depreciation and amortization is not reported as expenditures in the governmental funds.	(5,484,382)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and discounts and similar items when debt is issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Right-to-use lease proceeds	(332,566)
Issuance of debt - 2021 GO	(2,473,600)
Issuance of debt - 2022 Tax Note	(6,075,000)
Issuance of debt - 2021 CO	(10,800,000)
Refunded debt - 2011 GO, 2009 CO	2,709,510
Principal paid - bonds, tax note payable and leases	4,019,264
Premium and discounts on debt issuance	(809,395)
Certain expenses related to employee compensation and benefits are reported in the statement of activities but do not require the use of financial resources, and, therefore, are not reported as expenditures in governmental funds:	
Change in compensated absence balances	(88,886)
Change in net pension and OPEB liability	506,292
Change in net pension deferred inflows/outflows	(297,811)
Change in total OPEB deferred inflows/outflows	(4,289)
Current year changes in accrued interest payable do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.	(27,105)
Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds. This is the net change in these revenues for the year.	4,987,616
Change in net position - statement of activities	$ 32,231,989

CITY OF PRINCETON, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-BUDGET TO ACTUAL-GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes:				
Property	$ 4,949,673	$ 5,683,763	$ 5,531,584	$ (152,179)
Sales	1,700,000	200,000	2,139,300	1,939,300
Beverage	-	-	4,133	4,133
Franchise	422,500	422,500	602,533	180,033
Fines and forfeitures	257,535	232,550	265,233	32,683
Licenses and permits	2,914,500	2,914,500	2,811,222	(103,278)
Charge for services	2,643,344	3,151,931	4,329,628	1,177,697
Donations	22,950	36,366	41,182	4,816
Intergovernmental revenue	394,403	489,179	556,843	67,664
Rental income	16,000	16,000	12,000	(4,000)
Investment income	8,000	8,000	59,329	51,329
Miscellaneous	13,500	13,500	25,666	12,166
Total Revenues	13,342,405	13,168,289	16,378,653	3,210,364
EXPENDITURES				
Current:				
General Government	1,954,259	2,608,886	2,348,659	260,227
Public Safety:				
Police	3,647,215	4,323,052	3,612,009	711,043
Fire	2,835,422	3,045,835	3,001,327	44,508
Library	204,868	237,605	236,204	1,401
Public Works	1,457,866	1,325,014	1,145,984	179,030
Public Services and Operations	1,730,630	2,176,473	2,147,822	28,651
Parks and Recreation	976,869	1,014,431	988,122	26,309
Capital Outlays				
General Government	60,000	165,619	105,618	60,001
Police	-	99,960	99,959	1
Fire	69,000	209,785	209,785	-
Library	11,000	14,401	13,700	701
Public Works	65,500	65,500	38,418	27,082
Public Services and Operations	52,800	82,488	60,762	21,726
Parks and Recreation	167,442	3,326,329	3,187,911	138,418
Debt Service				
Principal	479,471	1,177,331	1,154,264	23,067
Interest	43,243	61,576	57,576	4,000
Total Expenditures	13,755,585	19,934,285	18,408,120	1,526,165
Excess (deficiency) of revenues over (under) expenditures	(413,180)	(6,765,996)	(2,029,467)	4,736,529
Other Financing Sources (Uses)				
Transfers	-	-	(1,870,528)	(1,870,528)
Sale of Assets	-	-	21,365	21,365
Right-to-Use lease proceeds	-	332,567	332,566	1
Capital lease proceeds	262,184	746,955	-	(746,955)
Total Other Financing Sources (uses)	262,184	1,079,522	(1,516,597)	(2,596,117)
Net Change in Fund Balance	(150,996)	(5,686,474)	(3,546,064)	2,140,412
Fund Balance, October 1	8,897,797	8,897,797	8,897,797	
Prior Period Adjustments	-	-	63,720	
Fund Balance, September 30	$ 8,746,801	$ 3,211,323	$ 5,415,453	

CITY OF PRINCETON, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2022

	Water and Sewer	Storm Water Drainage	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 2,430,370	$ -	$ 2,430,370
Investments	11,842,157	-	11,842,157
Receivables, net of uncollectibles	2,058,190	-	2,058,190
Unbilled revenue	913,140	-	913,140
Prepayments and deposits	13,681	-	13,681
Inventory	115,500	-	115,500
Restricted assets:			
Cash and cash equivalents	1,511,903	920,793	2,432,696
Deposits held in trust	8,314,446	-	8,314,446
Investments	31,751,298	-	31,751,298
Receivables, net of uncollectibles	-	97,798	97,798
Total current assets	58,950,685	1,018,591	59,969,276
Capital Assets:			
Land	286,763	-	286,763
Buildings	235,326	-	235,326
Infrastructure	84,535,648	18,980,572	103,516,220
Machinery & equipment	1,334,763	182,236	1,516,999
Right-to-use leased equipment	92,560	-	92,560
Construction in progress	10,705,041	-	10,705,041
Less: accum depreciation/amortization	(17,680,250)	(2,975,676)	(20,655,926)
Total capital assets, net of accumulated depreciation	79,509,851	16,187,132	95,696,983
Total assets	138,460,536	17,205,723	155,666,259
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge for refunding	235,968	-	235,968
Deferred outflows of resources-pension	156,282	12,483	168,765
Deferred outflows of resources-OPEB	8,044	872	8,916
Total deferred outflow of resources	400,294	13,355	413,649
LIABILITIES			
Current liabilities:			
Accounts payable	1,956,093	30,429	1,986,522
Retainage payable	268,516	-	268,516
Other accrued liabilities	104,027	2,993	107,020
Payable from restricted assets:			
Accrued interest payable	102,730	-	102,730
Customer deposits	1,638,879	-	1,638,879
Compensated absences - current	1,566	825	2,391
Right to use leases payable - current	28,473	-	28,473
Contractual Obligations-current	645,000	-	645,000
Bonds payable - current	169,564	-	169,564
Total current liabilities	4,914,848	34,247	4,949,095
Noncurrent liabilities:			
Net pension liabilities	98,814	279	99,093
Total OPEB liabilities	36,088	4,440	40,528
Compensated absences	155,397	1,508	156,905
Right to use leases payable	52,634	-	52,634
Contractual Obligations	28,900,000	-	28,900,000
Bonds payable	27,091,039	-	27,091,039
Total noncurrent liabilities	56,333,972	6,227	56,340,199
Total liabilities	61,248,820	40,474	61,289,294
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources-pension	46,056	2,299	48,355
Deferred inflows of resources-OPEB	3,093	272	3,365
Total deferred inflows of resources	49,149	2,571	51,720
NET POSITION			
Net invested in capital assets	50,440,764	16,179,092	66,619,856
Restricted for:			
Use of impact fees	9,287,327	-	9,287,327
Storm water	-	996,941	996,941
Unrestricted	17,834,770	-	17,834,770
Total Net Position	$ 77,562,861	$ 17,176,033	$ 94,738,894

The notes to the financial statements are an integral part of this financial statement

CITY OF PRINCETON, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Water and Sewer	Storm Water Drainage	Total
OPERATING REVENUES:			
Charges for services	$ 19,933,667	$ 751,102	$ 20,684,769
Miscellaneous	61,035	-	61,035
Total operating revenues	19,994,702	751,102	20,745,804
OPERATING EXPENSES:			
Personal services	1,452,131	69,179	1,521,310
Water purchases	2,478,004	-	2,478,004
Supplies and materials	628,321	5,310	633,631
Maintenance and repair	479,402	18,650	498,052
Lift Station	1,771,739	-	1,771,739
Utilities	165,610	-	165,610
Contractual services	3,411,005	42,271	3,453,276
Depreciation/Amortization	5,660,793	1,287,757	6,948,550
Total operating expenses	16,047,005	1,423,167	17,470,172
Operating income (loss)	3,947,697	(672,065)	3,275,632
NONOPERATING REVENUES (EXPENSES)			
Interest revenue	177,646	2,696	180,342
Impact fees	4,000,208	-	4,000,208
Interest expense	(975,235)	(1,461)	(976,696)
Bond issuance costs	(532,760)	-	(532,760)
Total nonoperating revenues (expenses)	2,669,859	1,235	2,671,094
Income (loss) before transfers and capital contributions	6,617,556	(670,830)	5,946,726
Capital Contributions	14,108,621	5,792,919	19,901,540
Transfers in/(out)	192,137	34,769	226,906
Change in net position	20,918,314	5,156,858	26,075,172
Net Position, beginning	55,634,204	12,019,179	67,653,383
Prior Period Adjustment	1,010,337	-	1,010,337
Net Position, ending	$ 77,562,855	$ 17,176,037	$ 94,738,892

The notes to the financial statements are an integral part of this financial statement

CITY OF PRINCETON, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Water and Sewer	Storm Water Drainage	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ 19,050,111	$ 720,827	$ 19,770,938
Other operating revenues (expenses)	61,034	-	61,034
Cash paid to employees	(1,438,328)	(73,657)	(1,511,985)
Cash paid to suppliers	(7,135,101)	(45,539)	(7,180,640)
Net cash provided (used) by operating activities	10,537,716	601,631	11,139,347
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers to/from other funds	192,137	34,769	226,906
Net cash provided (used) by non-capital financing activities	192,137	34,769	226,906
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Cash from impact fees	4,000,208	-	4,000,208
Acquisition and construction of capital assets	(9,812,864)	(327,655)	(10,140,519)
Right to use leases	81,107	-	81,107
Other debt related payments	(532,760)	-	(532,760)
Principal paid on long-term debt/capital lease	31,128,561	(60,395)	31,068,166
Interest and fiscal charges paid on long-term debt	236,172	(1,461)	234,711
Net cash (used for) capital & related financing activities	25,100,422	(389,511)	24,710,911
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment earnings	177,646	2,696	180,342
Net cash provided by investing activities	177,646	2,696	180,342
Net increase (decrease) in cash and cash equivalents	36,007,921	249,585	36,257,506
Cash and cash equivalents at beginning of year	19,842,253	671,208	20,513,461
Cash and cash equivalents at end of year	$ 55,850,174	$ 920,793	$ 56,770,967
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	$ 3,947,697	$ (672,065)	$ 3,275,632
Adjustment to reconcile operating income to net cash Provided by operating activities			
Depreciation	5,660,793	1,287,757	6,948,550
Change in assets and liabilities:			
(Increase) decrease in assets:			
Accounts receivable	(1,240,326)	(30,273)	(1,270,599)
Inventory	73,616	-	73,616
Increase (decrease) in liabilities:			
Accounts payable	1,473,841	28,730	1,502,571
Retainage payable	241,291	(8,040)	233,251
Customer deposits	356,768	-	356,768
Pension/OPEB/Comp absence liabilities	673	(5,480)	(4,807)
Other liabilities	23,363	1,002	24,365
Total adjustments	6,590,019	1,273,696	7,863,715
Net cash provided (used) by operating activities	$ 10,537,716	$ 601,631	$ 11,139,347
NON-CASH FINANCING ACTIVITIES:			
Contributions of capital assets from developers	$ 14,108,621	$ 5,792,919	$ 19,901,540

CITY OF PRINCETON, TEXAS
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2022

	PUBLIC IMPROVEMENTS DISTRICTS FUNDS
ASSETS	
Cash and cash equivalents	$ 17,584,684
Special assessment receivable	77,761,043
Total assets	95,345,727
LIABILITIES	
Long-term debt	77,765,000
Total liabilities	77,765,000
NET POSITION	
Restricted for public improvement districts	17,580,727
Total net position	$ 17,580,727

STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	PUBLIC IMPROVEMENTS DISTRICTS FUNDS
ADDITIONS	
Property assessments	$ 3,271,711
Assessments prepaid	536,387
Bond proceeds	33,231,360
Bond premium	300,050
Investment earnings	86,911
Total additions	37,426,419
DEDUCTIONS	
Payment to developer	20,558,805
Bond issuance costs	1,460,063
Administrative expenses	405,437
Debt Service	3,802,007
Total deductions	26,226,312
Change in Net Position	11,200,107
Net Position - beginning	6,380,620
Net Position - ending	17,580,727

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Princeton, Texas ("City") was incorporated in 1912 and has a Council/Manager form of government with a City Council comprised of Mayor and five council members. Some of the services provided are: public safety (police and fire protection), municipal court, streets, water distribution, sewer treatment, and general administrative services.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles ("GAAP") for local governments include those principles prescribed by the Governmental Accounting Standards Board ("GASB"), the American Institute of Certified Public Accountants in the publication entitles *State and and Local Governments-Audit and Accounting Guide.* The more significant accounting policies of the City are described below:

1. Financial Statement Presentation

The basic financial statements are prepared in conformity with GAAP which requires the government-wide financial statements to be prepared using the accrual basis of accounting and the economic resources measurement focus. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities, business-type, and activities of its discretely presented component units on the statement of net position and statement of activities. The City's statement of net position includes both noncurrent assets and noncurrent liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets, including infrastructure.

In addition to the government-wide financial statements, the City has prepared fund financial statements, which use the modified accrual basis of accounting and the current financial resources measurement focus for the governmental funds. The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Management's Discussion and Analysis (MD&A) includes an analytical overview of the City's financial activities. In addition, a budgetary comparison statement is presented that compares the original adopted and final amended General Fund and Debt Service Fund budget with actual results. The City does not have any Special Revenue funds with legally adopted budgets.

2. Reporting Entity

The City is a municipal corporation governed by an elected mayor and five-member council. As required by GAAP, these financial statements present the City (the primary government) and its component units, an entity for which the government is considered to be financially accountable. These discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the City. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

* the organization is legally separate (can sue and be sued in their own name);
* the City appoints a voting majority of the organization's board;
* the City is able to impose its will on the organization;
* the organization has the potential to impose a financial benefit/burden on the City; or
* there is fiscal dependency by the organization on the City.

Discretely Presented Component Units - The Economic Development Corporation ("EDC") was incorporated October 1, 2005. The EDC is governed by a seven-member board appointed by and serving at the pleasure of the City Council. The funding for the EDC occurs by the City transferring 1/4 of sales tax revenues collected by the City. The Corporation promotes development of commercial real estate, fosters local prosperity, and offers a competitive advantage for new, relocating, and expanding businesses.

The Community Development Corporation ("CDC") was incorporated July 3, 1997. The CDC is governed by a seven-member board appointed by and serving at the pleasure of the City Council. The funding for the CDC occurs by the City transferring 1/4 sales tax revenues collected by the City. These funds can be used for economic incentives and development and improvement in the quality of life for its citizens.

Blended Component Units - The City created Tax Increment Reinvestment Zone #1 (TIRZ) to provide additional financing resources to further enhance development within the zone. The City Council appoints a Board and Board members are removable by the City Council. TIRZ #1 was created December 2015 and will terminate in December 2045, or at an earlier time designated by subsequent ordinance, or at such time, subsequent to the issuance of tax increment bonds, if any, that all project costs, tax increment bonds, notes and obligations of the zone have been paid in full. The TIRZ is fiscally dependent on the City, as the City approves their budgets and any debt issuances. The TIRZ qualifies for blending because the Board is the same as the City Council. The TIRZ is reported as a blended component unit of the City and does not issue separate financial statements.

The City created Tax Increment Reinvestment Zone #2 (TIRZ) in August 2019 and will terminate in December 2050, or at which time the amount of the City's contribution of the Tax Increment into the Tax Increment Fund since the effective date of the Zone equals to a TIRZ par amount of $298,290 plus interest and TIRZ administrative expenses, as set forth in the Project and Finance plan, or at such time that all projects, tax increment bonds, notes and other obligations of the Zone, and the interest thereon, have been paid in full. The TIRZ is fiscally dependent on the City, as the City approves budget and any debt issuance. The TIRZ qualifies for blending because the Board is the same as the City Council. The TIRZ is reported as a blended component unit of the City.

The City created Tax Increment Reinvestment Zone #3 (TIRZ) in July 2022 and will remain in effect until the later of the date by which all PID Bonds have been repair or until such time as the Developer has been fully reimbursed for Project Costs but no more than 30 years from the date of the designation of each Sub-Zone. The TIRZ if fiscally dependent on the City, as the City approves budget and any debt issuance. The TIRZ qualifies for blending due to the Board being the same as the City Council. The TIRZ is reported as a blended component unit of the City and there was no activity as of the end of the current fiscal year.

The fund information for the discretely presented component units can be found in the supplementary information in this report. There are no separate financial statements issued for the discretely presented component units.

In addition, GASB Statement No. 61 considers an organization that does not meet the financial accountability criteria to be included as a component unit if management's professional judgment determines it to be necessary and misleading if omitted. This evaluation includes consideration of whether a financial benefit or burden exists in the relationship between the entities. Management has not identified any additional organizations that fit this criteria.

3. Upcoming and Newly Implemented Accounting Procedures

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, improves financial reporting by addressing these relationships and availability payment arrangements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The City is currently evaluating the impact of this Statement.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, provides guidance on the accounting and financial reporting of contractual arrangements. It defines SBITA; establishes that a SBITA results in a right-to-use subscription asset; provides capitalization criteria; and requires note disclosures. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The City is currently evaluating the impact of this Statement.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans,* increases consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that governing board typically would perform; mitigates costs associated with the reporting of certain defined contribution pension, OPEB and benefit plans other than pension or OPEB plans; and enhances the relevance, consistency and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement related to the accounting and financial reporting for Section 457 plans was effective for fiscal years beginning after June 15, 2021, and have no impact on the City's financial statements.

GASB Statement No. 99, *Omnibus 2022,* enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement related to extension of use of London Interbank Offered Rate (LIBOR), accounting for Supplemental Nutrition Assistance Program (SNAP) distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement No. 34, as amended and terminology updates related to Statements No. 53 and 63 are effective immediately and implemented in the current year. All other requirements of this Statement are effective for fiscal years beginning after June 15, 2022, or June 15, 2023. The City is currently evaluating the impact of this Statements.

GASB Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62,* enhances the accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The City has implemented this statement.

GASB Statement No. 101, *Compensated Absences,* will better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The City is currently evaluating the impact of this Statement.

4. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements; the focus is either the City as a whole or major individual funds (within the fund financial statements). The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (Police, Fire, Public Works, etc.) or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or program. Program revenues include: a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program, b) grants and contributions that are restricted to meeting the operational requirements of a particular function or program, and c) grants and contributions that are restricted to meeting the capital requirements of a particular function or program. Taxes and other items not properly excluded among program revenues are reported instead as general revenues.

The net cost (by function or business-type activity) is normally covered by general revenue (property and sales taxes, and interest income).

Separate fund financial statements are provided for governmental funds, proprietary funds and fiduciary funds. Major individual governmental funds and major individual proprietary funds are reported in separate columns in the fund financial statements. The major governmental funds are the General Fund, Debt Service Fund, and Capital Projects Funds. The major proprietary funds are the Water and Sewer Fund and the Storm Water Drainage Fund. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category for the governmental and proprietary combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

The City's fiduciary funds are presented only in the fund financial statements. By definition these assets are being held for the benefit of a third-party (other local governments, individuals, pension participants, developer projects, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. The fiduciary funds consist of fund that account for the Pension Trust and Other Post-Employment Benefits (OPEB) Trust Funds and custodial funds related to developers' Public Improvement District (PID) project funding.

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal year. The focus of the fund financial statements is on the major individual funds of the governmental and proprietary categories. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

5. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as is the proprietary funds. The economic resources measurement focus means all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position and the operating statements present increase (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liability is incurred.

Governmental fund level financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, in other words, as soon as they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the obligation has matured and is due and payable shortly after year end as required by GASB Interpretation No. 6.

Ad valorem, franchise and sales tax revenues recorded in the General Fund and ad valorem tax revenues recorded in the Debt Service Fund are recognized under the susceptible to accrual concept. Licenses and permits, charges for services, fines and forfeitures, contributions, and miscellaneous revenues are recorded as revenues when received in cash, as the resulting receivable is not measurable. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. Intergovernmental grant revenues are recognized when all eligibility requirements have been met.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as needed.

Business-type activities and all proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows, liabilities and deferred inflows associated with the operation of these funds are included on the balance sheet. Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in net total position. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's water and sewer and storm water drainage are charges to customers for sales and services. Operating expenses for these funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental Funds:

The focus of governmental fund measurement (in the fund financial statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the major governmental funds:

The ***General Fund*** is the operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

The ***TIRZ Fund*** accounts for the property and sales taxes collected in the TIRZ zone for the purpose of funding infrastructure and projects in particular development areas.

The **Debt Service *Fund*** is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on general long-term debt paid from taxes levied by the City.

The **Capital *Projects Funds*** consist of various types of financial resources and is utilized in the acquiring or constructing of street/roadway infrastructure, buildings and park infrasctructure within the City. These funds include Street Project Fund, Building Project Fund, Park Projects Fund, and the ARPA Grant Project Fund which is committed to broadband infrastructure within the City.

Enterprise Funds:

The focus of proprietary funds measurement is upon determination of operating income, changes in net position, financial position, and cash flows, which is similar to businesses. The following is a description of the Proprietary Funds of the City:

The *Water and Sewer Fund* accounts for the operations of the City's water and sewer utilities. Activities of the fund include administration, operation and maintenance of the water and sewer system and billing and collection activities. All costs are financed through charges made to utility customers with rates reviewed annually.

The *Storm Water Drainage Fund* accounts for the City's storm water development and maintenance to the residents of the City.

Other Fund Types:

Fiduciary Funds - The City is the trustee, or fiduciary, for certain amounts held on behalf of developers. The funding for the developments are derived from PID bonds that are held in trust by the City. The City is responsible for ensuring that the assets reported are used for their intended purposes. These custodial funds use the economic resources measurement focus.

6. Financial Statement Amounts

a. Cash, Cash Equivalents and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

The City pools cash from all fund types (excluding certain restricted assets that are considered cash and cash equivalents) to increase the amount of funds available for investment. Investments held by the City that have a remaining maturity of greater than one year from purchase are carried at market value. Interest earnings are allocated to the respective funds based upon each fund's relative balance in the pool. Each fund may liquidate its equity in the pool on demand.

Investments are recorded at amortized cost when original maturity at the time of purchase is less than one year or at market if greater than one year.

b. Receivable and Payable Balances

Trade and property tax receivables are shown net of an allowance for uncollectible.

Legally authorized transfers are treated as transfers and are included in the results of operations of both governmental and proprietary funds.

c. Inventories, Prepaids, and Other Assets

Inventory of supplies are maintained at the City for use by all City funds and are accounted for by the consumption method. They are valued at cost, which is determined using a weighted-average method. The cost of governmental fund type inventory is recorded as an expenditure when consumed rather than when purchased.

Prepaid items are for payments made by the City in the current year to received services occurring in the subsequent fiscal year, utilizing the consumption method. Inventories and prepaid items are reflected as nonspendable fund balance in the governmental funds.

d. Interfund Transactions

Short-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts. Long-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts and fund balance is nonspendable for these amounts. All legally authorized transfers are appropriately treated as transfers and are included in the results of operations of both governmental and proprietary funds.

e. Capital Assets

Capital assets, which include land, buildings, equipment, and improvements, purchased or acquired, are reported in the applicable governmental or business-like activities columns in the government-wide financial statements and proprietary fund types. The City defines capital assets as assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if historical cost is not available. Contributed capital assets are recorded at acquisition value as of the time received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Net interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Management elected not to retroactively report infrastructure assets within the scope of GASB Statement No. 34.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Years
Infrastructure	30-45
Buildings and Improvements	15-45
Machinery and equipment	5-10
Right-to-use equipment	3-10

f. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditures) until then. The City has the following items that qualify for reporting in this category:

* Deferred charges on refunding - a deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

* Pension contributions after measurement date - these contributions are deferred and recognized in the following year.

* Difference in expected and actual economic experience for the City's pension - This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

* Changes in actuarial assumptions - These changes are deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has the following items in this category:

* Unavailable revenue is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

* Difference in expected and actual economic experience for the City's pension - This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

* Changes in actuarial assumptions - These changes are deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

* Difference in projected and actual earnings on pension assets - This difference is deferred and amortized over a closed five-year period.

g. Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and overtime not paid (comp time) benefits. A liability for unpaid accumulated compensated absences is recorded in relation to these amounts in the government-wide and proprietary financial statements.

h. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds on a straight-line basis. The City has compared this method to the effective interest method and found the difference between the two methods to be immaterial. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year they are incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

i. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance as nonspendable, restricted, committed, assigned, or unassigned based primarily on the extent to which the City is bound to honor constraints on how specific amounts can be spent.

Nonspendable fund balance - amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.

Restricted fund balance - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance - amounts that can only be used for specific purposes determined by a resolution of the City's highest level of decision-making authority (the Council) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

Assigned fund balance - amounts that are constrained by the City's intent to be used for specific purposes. The intent can be established at either the highest level of decision making (the Council), or by the City Manager. This is also the classification for residual funds in the City's special revenue funds.

Unassigned fund balance - the residual classification for the City's General Fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The City Council establishes, modifies or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. This is done through adoption of the budget and subsequent budget amendments that occur throughout the year.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, followed by the committed, assigned and unassigned resources as they are needed.

j. Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied

k. Fund Balance Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

l. Federal and State Grants

Grants and shared revenues are generally accounted for within the fund financed. Federal grants are from various federal agencies, and are accounted for in both the governmental and proprietary funds.

m. Leases

Effective October 1, 2021, the City implemented GASB Statement No. 87, *Leases*, which required the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Lessee - The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide and proprietary funds financial statements.

At implementation of GASB Statement No. 87 and the commencement of leases beginning after October 1, 2021, the City initially measured the lease liability at the present value of payments expected to be made during the remaining lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease right-to-use asset was initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease right-to-use asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate is uses to discount the expected lease payments to present value, (2) lease term and (3) lease payments.

The City uses estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments.

The City monitors changes in circumstances that would require a re-measurement of its lease and will re-measure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

n. Pensions

For purposes of measuring the net pension liability, pension related deferred inflows/outflows of resources, and pension expense, City specific information about its Fiduciary Net Position in TMRS and additions to/deductions from the City's Fiduciary Net Position have been determined on the basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at market value.

The City participates in the Texas Municipal Retirement System Supplemental Death Benefit Fund (TMRS SDBF), which operates like a group-term life insurance plan. This is a voluntary program in which participating member cities may elect, by ordinance, to provide supplemental death benefits for their active Members with optional coverage for their retirees. The death benefit for active Members provides a lump-sum payment approximately equal to the Member's annual salary (calculated based on the Member's actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit (OPEB) and is a fixed amount of $7,500. As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated).

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is based on the mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the City. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. As such, contributions fund the covered active Member and retiree deaths on a pay-as-you-go basis

Property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and personal property located in the City. The property taxes attach as an enforceable lien on property as of January 1. Appraised values are established by the Central Appraisal Districts of Collin County at 100% of estimated market value and certified by the Appraisal Review Board.

Taxes are due October 1 immediately following the levy date and are delinquent after the following January 31st. Revenues are recognized as the related ad valorem taxes are collected. Additional delinquent property taxes estimated to be collectible within 60 days following the close of the fiscal year have been recognized as a revenue at fund level.

In Texas, county-wide central appraisal districts are required under the Property Tax Code to assess all property within the appraisal district on the basis of 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the City may, at its own expense, require annual reviews of appraised values. The City may challenge appraised values established by the appraisal district through various appeals, and, if necessary, take legal action. Under this legislation, the City continues to set tax rates on City property. However, if the no-new revenue rate, excluding tax rates for bonds and other contractual obligations, adjusted for new improvements, exceeds the rate for the previous year by more than 3.5%, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than 3.5% above the tax rate of the previous year.

o. Comparative Data/Reclassification

Comparative total data for the current year to budget have been presented in the supplementary section of the financial statements in order to provide an understanding of budget to actual. Also, certain prior year balances have been reclassified in order to be consistent with the current year's presentation.

p. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management's to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

q. Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

r. Program Expenses

Certain indirect costs such as administrative costs are included in the program expense reported for individual functional activities.

B. COMPLIANCE AND ACCOUNTABILITY

1. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

Violation	Action Taken
None	n/a

2. Deficit Fund Balance or Fund Net Position of Individual Funds

Following are funds having deficit fund balances or fund net position at year end, if any, along with remarks which address such deficits:

Violation	Action Taken
None	n/a

3. Budgets and Budgetary Accounting

The City adopts budgets for the General Fund and Debt Service Fund annually for the primary government. All appropriations are legally controlled at the fund level. The City is required to present the adopted and final amended budget revenues and expenditures. The General Fund budget appears in the basic financial statement section and other informational budgets are presented in the supplemental information section.

The following procedures are followed in establishing the budgetary data:

- The Mayor submits to the City Council a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to September 30, the budget is legally enacted through passage of an ordinance.
- Total estimated expenditures of the General Fund and Debt Service Fund are to be budgeted.
- The level of control (the level at which expenditures may not exceed budget) is the fund level. The City Manager and/or Director of Finance are authorized to approve a transfer of budgeted amounts within departments; however, any revisions that alter the total of any fund must be approved by the City Council.

C. CASH AND INVESTMENTS

Pursuant to provisions of both the Texas Public Funds Investment Act (PFIA) and the Public Funds Investment Policy of the City, all deposits of the City that exceed the federal depository insurance coverage level are collateralized by securities held by a third party custodian and pledged to the City in an amount not less than 102% (on a market value basis) of the City's deposit of public funds and any accrued interest.

At September 30, 2022, the carrying amount of the City's deposits was $95,807,853 and the bank balance was $11,747,168. The City's cash deposits at September 30, 2022 and during the year ended September 30, 2022, were entirely covered by FDIC plus pledged collateral held by the City's agent bank in the City's name. Monthly collateral value reports are received from the bank as required by the City's investment policy.

Cash and investments as of September 30, 2022 consist of and are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Primary Government	
Cash and cash equivalents	$ 5,461,647
Investments	22,211,791
Restricted cash and cash equivalents	5,234,562
Restricted investments	62,899,853
Total cash and cash equivalents	$ 95,807,853
Governmental - Restricted Cash & Investments	
Police seizure & Court (security, technology, child safety)	$ 179,964
Debt service	1,640,860
Tax Increment Reinvestment Zones	1,590,968
Capital improvement	30,538,629
Total cash and cash equivalents	33,950,421
Business-type- Restricted Cash & Investments	
Customer Deposits	1,638,879
Storm Water	920,793
Capital projects	31,624,322
Total cash and cash equivalents	34,183,994
Total Restricted Cash	$ 68,134,415

Investments

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports an establishment of appropriate policies, the City adhered to the requirements of the Act. Additionally, investment practices of the City were in accordance with local policies. Portfolio disclosures as of September 30, 2022 are as follows:

- All pledged collateral was held by an independent institution outside the bank's holding company and
- the portfolio contained no repurchase agreements

GASB Statement No. 79 establishes criteria for an external investment pool to qualify for making an election to measure all of its investments at amortized cost. The City does not have any limitations or restrictions on withdrawal.

Credit Risk

A primary stated objective of the City's adopted investment policy is the safety of principal and avoidance of principal loss. Credit risk within the City's portfolio among the authorized investments approved by the City's adopted investment policy includes only time and demand deposits, repurchase agreements, non-rated SEC register money market mutual funds, and commercial paper. All other investments are rated no lower than AAA or AAA-m, or equivalent, by at least one nationally recognized rating agency. Investments are made primarily in obligations of the U.S. Government, its agencies, or instrumentalities.

State law and the City's adopted investment policy restricts investment in SEC registered mutual funds to money market funds striving to maintain a $1 net value and defined by state law. Neither the state law nor the policy requires a rating

As of September 30, 2022, the City had the following investments:

Investment Type	Amount	Average Maturity	Minimum Legal Rating	Rating at Year End
TexPool	$ 58,744,040	25	N/A	AAA-m
TexSTAR	26,343,525	12	N/A	AAA-m
Certificate of Deposit	532,744	144	N/A	N/A
	$ 85,620,309			

TexSTAR is administered by First Southwest Asset Management Inc. and JP Morgan Chase. Together, these organizations bring to the TexSTAR program the powerful partnership of two leaders in financial services with a proven track record in local government investment pool management. TexSTAR is a local government investment cooperative created under the Interlocal Cooperation Act specifically tailored to meet Texas state and local government investment objectives of preservation of principal, daily liquidity, and competitive yield. The fund is rated AAAm by Standard & Poor's. The City's market value position is stated at the value of the position upon withdrawal. There were no limitations or restrictions on withdrawals.

The Texas Local Investment Pool is a local government investment pool which operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. This type of investment pool uses amortized costs rather than market value to report net position to compute share prices. Accordingly, the market value of the position in these pools is the same as the value of the shares in each pool. The Texas Local Government Investment Pool is organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Pool is governed by an Advisory Board composed equally of participants in the pool and other persons who do not have a business relationship with the Pool who are qualified to advise the Pool.

The State Comptroller of Public Accounts exercises oversight responsibility over the Texas Local Government Investment Pool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management structure. Finally, TexPool is rated AAAm by Standard and Poor's. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard and Poor's, as well as the office of the Comptroller for public review.

Interest Rate Risk

In order to limit interest and market rate risk from changes in interest rates, the City's adopted investment policy sets a maximum stated maturity limit of three years. The dollar-weighted maturity allowed based on the stated maturity date for the portfolio is 270 days. Investment maturities for the debt service interest and sinking funds and/or other types of reserve funds, whose use is never anticipated, may not exceed three years.

Concentration of Credit Risk

The City recognizes over-concentration of assets by market sector or maturity is a risk to the portfolio. The City's adopted investment policy establishes diversification as a major objective of the investment program and set diversification limits for all authorized investment types which are monitored on at least a monthly basis.

Diversification limits are set by policy as:

	% of portfolio
US Treasury Obligation	100%
US Government Agency Securities & Instrumentalities of Government-sponsored corporations	80%
Authorized local government investment pools	100%
Full collateralized certificates of deposit	50%
SEC-regulated no-lead money market mutual funds	10%

As of September 30, 2022, holdings in two local government investment pools represented 89% of the total portfolio. Reserve funds for the General and Business-type funds and customer deposits for water services accounts for 18% of the total. All remaining monies in investment pools represent funds for capital improvements.

Custodial Credit Risk

To control custody and safekeeping risk, state law and the City's adopted investment policy requires collateral for all time and demand deposits, as well as collateral for repurchase agreements, be transferred delivery versus payment and held by an independent party approved by the City and held in the City's name. The custodian is required to provide original safekeeping receipts and monthly reporting of positions with position descriptions including market value. Repurchase agreements and deposits must be collateralized to 102% and be executed under written agreements. Depository agreements are executed under the terms of US Financial Institutions Resource and Recovery Enforcement Act (FIRREA). The counter-party of each type of transaction is held contractually liable for monitoring and maintaining the required collateral margin on a daily basis.

D. RECEIVABLES

Receivables as of year end for the government's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	TIRZ	Debt Service	Water/Sewer	Storm Water Drainage	Total
Receivables:						
Taxes	$ 678,024	$ 57,521	$ 80,435	$ -	$ -	$ 815,980
Fees and Charges	1,401,107	-	-	3,152,492	106,109	4,659,708
Other	30,262	-	-	135,111	-	165,373
Gross Receivables	2,109,393	57,521	80,435	3,287,603	106,109	5,641,061
Less: allowances for uncollectible	(1,365,135)	-	-	(316,273)	(8,311)	(1,689,719)
Net Receivables	$ 744,258	$ 57,521	$ 80,435	$ 2,971,330	$ 97,798	$ 3,951,342

The Proprietary Fund accounts receivable includes unbilled charges for services of $945,765 rendered as of fiscal year end.

E. LONG-TERM RECEIVABLES

The Community Development Corporation agreed to pay a portion of the City's 2011 General Obligation Refunding Bond by remitting to the City from the receipts of local sales and use taxes received by the Corporation. This Bond was paid off in October 2021 with the issuance of 2021 General Obligation Refunding Bonds.

The 2021 General Obligation Refunding Bonds were issued in October 2021. One of the Bonds that this issue paid in full was the 2011 General Obligation Refunding Bonds. The Community Development Corporation agreed to continue to pay its portion of the refunded debt. The portion of this debt will be paid in full in FY 2029.

The Community Development Corporation agreed to pay a portion of the City's 2019 Tax Note by remitting to the City from the receipts of local sales and use taxes received by the Corporation. The CDC's portion of the 2019 Tax Note is for the construction of the Community Center.

The Community Development Corporation agreed to pay a portion of the City's 2021 Certificate of Obligation Bonds by remitting to the City from the receipts of local sales and use taxes received by the Corporation. The CDC's portion of the 2021 CO is for funding of park improvements.

	Beginning Balance	Prior Period	Additions/ (Refunds)	Decreases	Ending Balance	Due Within One Year
Long-term rec-CDC-2011 CO	$ 278,250	$ -	$ (278,250)	$ -	$ -	$ -
Long-term rec-CDC-2021 CO	-	-	5,295,000	(205,000)	5,090,000	205,000
Long-term rec-CDC- 2021 GO	-	-	165,760	(20,720)	145,040	19,425
Long-term rec-CDC-2019 Tax Note	862,576	52,424	-	(175,000)	740,000	18,000
	$ 1,140,826	$ 52,424	$ 5,182,510	$ (400,720)	$ 5,975,040	$ 242,425

Requirements as follows:

Year Ending Sept 30	Principal	Interest
2023	$ 242,425	$ 161,125
2024	413,130	132,635
2025	424,425	137,390
2026	440,720	108,930
2027	250,720	100,828
2028-2032	1,326,620	373,469
2033-2037	1,450,000	202,530
2038-2041	1,427,000	52,723
	$ 5,975,040	$ 1,269,630

The Economic Development Corporation agreed to pay a portion of the City's 2016 Certificates of Obligation to the City from the receipts of local sales and use taxes received by the Corporation.

	Beginning Balance	Prior Period	Additions	Decreases	Ending Balance	Due Within One Year
Long-term rec-EDC-2016 CO	$ 1,050,000	$ (146,626)	$ -	$ (50,164)	$ 853,210	$ 51,230

Requirements as follows:

Year Ending Sept 30	Payment	Interest
2023	$ 51,230	$ 23,770
2024	52,141	22,859
2025	53,117	21,883
2026	54,335	20,665
2027	55,767	19,235
2028-2032	306,158	68,842
2033-2036	280,462	19,538
	$ 853,210	$ 196,792

F. CAPITAL ASSETS

Capital asset activity for the period ended September 30, 2022 is as follows:

Governmental Activities	Beginning Balances	Additions/ Transfers	Decreases/ Transfers	Ending Balances
Capital assets, not being depreciated				
Land	$ 2,107,212	$ 3,109,912	$ -	$ 5,217,124
Construction in Progress	20,727,000	22,653,786	(26,455,050)	16,925,736
Total capital assets, not being depreciated	22,834,212	25,763,698	(26,455,050)	22,142,860
Capital assets, being depreciated:				
Buildings & Improvements	7,099,456	18,229,211	-	25,328,667
Infrastructure	62,298,405	14,167,279	-	76,465,684
Parks & Improvements	4,007,920	4,874,877	-	8,882,797
Right-to-use Equipment	258,607	332,566	-	591,173
Machinery & Vehicles	5,250,547	273,675	(24,738)	5,499,484
Total capital assets being depreciated	78,914,935	37,877,608	(24,738)	116,767,805
Less accumulated depreciation/amortization for:				
Buildings & Improvements	(1,214,097)	(406,480)	-	(1,620,577)
Infrastructure	(11,578,244)	(4,140,702)	-	(15,718,946)
Parks & Improvements	(1,126,638)	(351,599)	-	(1,478,237)
Right-to-use Equipment	-	(199,791)	-	(199,791)
Machinery & Vehicles	(3,365,274)	(385,811)	24,738	(3,726,347)
Total accumulated depreciation	(17,284,253)	(5,484,383)	24,738	(22,743,898)
Total capital assets, being depreciated, net	61,630,682	32,393,225	-	94,023,907
Governmental activities capital assets, net	$ 84,464,894	$ 58,156,923	$(26,455,050)	$ 116,166,767

Business-type Activities	Beginning Balances	Additions/ Transfers	Decreases/ Transfers/PPA	Ending Balances
Capital assets, not being depreciated				
Land	$ 286,763	$ -	$ -	$ 286,763
Construction in Progress	16,334,069	9,570,972	(15,200,000)	10,705,041
Total capital assets, not being depreciated	16,620,832	9,570,972	(15,200,000)	10,991,804
Capital assets, being depreciated:				
Buildings & Improvements	235,326	-	-	235,326
Infrastructure	68,021,481	35,494,739	-	103,516,220
Right-to-use Equipment	74,698	17,862	-	92,560
Machinery & Vehicles	1,433,210	83,789	-	1,516,999
Total capital assets being depreciated	69,764,715	35,596,390	-	105,361,105
Less accumulated depreciation/amortization for:				
Buildings & Improvements	(122,916)	(5,586)	-	(128,502)
Infrastructure	(13,440,906)	(6,801,897)	1,010,337	(19,232,466)
Right-to-use Equipment	-	(10,054)	-	(10,054)
Machinery & Vehicles	(1,153,891)	(131,013)	-	(1,284,904)
Total accumulated depreciation	(14,717,713)	(6,948,550)	1,010,337	(20,655,926)
Total capital assets, being depreciated, net	55,047,002	28,647,840	1,010,337	84,705,179
Business-type activities capital asset, net	$ 71,667,834	$ 38,218,812	(14,189,663)	$ 95,696,983

Depreciation/amortization current expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General Government	$ 263,227
Public Services	35,471
Public Safety	486,807
Public Works, including depreciation of general infrastructure assets	4,263,312
Parks and Cultural	435,566
Total depreciation expense - governmental activities	$ 5,484,383
Business-type activities:	
Water and Sewer	$ 5,670,847
Storm Water Drainage	1,277,703
Total depreciation expense - business-type activities	$ 6,948,550

The City and management did not take note of any significantly impaired capital assets that are idle at the end of the current fiscal year.

G. CONSTRUCTION COMMITMENTS

The City has active construction projects as of September 30, 2022. The projects include building construction, street infrastructure and improvements, and water/sewer infrastructure improvements. At fiscal year-end, the City's commitments with contractors are as follows:

Project Description	Project Budget Appropriation	Spent to Date	Remaining Commitment
Teakwood Drive reconstr	$ 1,679,800	$ 63,580	$ 1,616,220
Yorkshire reconstruction	2,322,000	38,100	2,283,900
San Remo round-about	100,000	54,990	45,010
Myrick Lane	11,957,131	11,482,542	474,589
Fire Station #2	6,110,500	523,286	5,587,214
2nd Street Rehab	4,351,500	501,889	3,849,611
S Beauchamp Blvd	910,361	68,000	842,361.00
N Beauchamp Blvd	4,050,672	1,774,816	2,275,856
Boorman Lane	4,300,000	405,879	3,894,121
Parks building	3,173,596	125,077	3,048,519
Caldwell Park improvements	175,500	33,960	141,540
Recreation site-temp fields	195,778	72,493	123,285
JJ Wilson Memorial Park	2,944,838	1,684,292	1,260,546
Veteran's Memorial Park	1,086,500	96,832	989,668
Total Governmental	43,358,176	16,925,736	26,432,440

Project Description	Project Budget Appropriation	Spent to Date	Remaining Commitment
Sheamar WWTR Interceptor	$ 17,480,344	$ 2,082,184	$ 15,398,160
Tickey Creek bank stabilization	371,800	67,345	304,455
Dogwood pump station	827,930	60,373	767,557
Eastridge booster station	220,000	168,481	51,519
College Str lift station	2,063,760	1,856,487	207,273
S Elevated Storage tank	13,941,330	5,344,258	8,597,072
6th Str water line	714,724	548,589	166,135
12" water line @ Hwy 380	557,000	75,713	481,287
Cypress - water line	571,863	42,428	529,435
Tickey Creek - Ph II	4,718,010	459,183	4,258,827
Total Business-type	41,466,761	10,705,041	30,761,720
TOTAL	$ 84,824,937	$ 27,630,777	$ 57,194,160

H. LONG-TERM OBLIGATIONS

A summary of long-term debt transactions, including the current portion, for the year ended September 30, 2022, is as follows:

	Beginning Balance	Restatement	Increase	Decrease	Ending Balance	Due Within One Year
Governmental Activities						
General obligations bonds & Certificates of Obligation	$ 30,808,200	$ -	$ 13,273,600	$ (4,578,200) *	$ 39,503,600	$ 1,910,000
Less: for bond discounts/def chg	(219,674)	-	(67,065)	61,992	(224,747)	15,318
Plus: for bond premiums	3,013,672	-	931,737	(227,541)	3,717,868	(216,623)
Tax notes	5,070,000	-	6,075,000	(965,000)	10,180,000	1,470,000
Total Bonds Payable	38,672,198	-	20,213,272	(5,708,749)	53,176,721	3,178,695
Leases payable	1,678,486	258,607	332,566	(1,201,875)	1,067,784	252,462
Compensated absences	640,983	-	529,689	(440,803)	729,869	50,207
Governmental activity LT Debt	$ 40,991,667	$ 258,607	$ 21,075,527	$ (7,351,427)	$ 54,974,374	$ 3,481,364

* Series 2011 GO and Series 2009 CO were refunded with the issuance of the Series 2021 GO.
See detail following summary schedules.

	Beginning Balance	Increase	Decrease	Ending Balance	Due Within One Year
Business-type Activities					
General obligations bonds & Certificates of Obligation	$ 6,726,800	$ 20,116,400	$ (991,800)	$ 25,851,400	$ 296,700
Less: for bond discounts/def charges	(319,195)	-	83,227	(235,968)	7,407
Plus: for bond premiums	356,678	1,150,728	(98,203)	1,409,203	(134,543)
Total Bonds Payable	6,764,283	21,267,128	(1,006,776)	27,024,635	169,564
Leases payable	346,133	17,862	(282,888)	81,107	28,473
Contractual obligations-GTUA	17,330,000	13,060,000	(845,000)	29,545,000	645,000
Compensated absences	130,134	64,027	(34,865)	159,296	2,391
Business-type activity Long-term Debt	$ 24,570,550	$ 34,409,017	$ (2,169,529)	$ 56,810,038	$ 845,428

The City does not have any unused lines of credit.

Compensated absences

Compensated absences represent the estimated liability for employees' accrued vacation leave and comp time for which employees are entitled to be paid upon termination. The retirement of this liability is typically paid from the General Fund or Proprietary Fund, based on the assignment of an employee at date of termination.

Changes in Governmental Long-term Debt

Description	Interest Rate Payable	Amounts Issue	Amounts Outstanding September 30, 2021	Issued	Retired	Amounts Outstanding September 30, 2022	Due Within One Year
2009 Series, CO	4.13%	$ 4,315,000	$ 2,175,000	$ -	$ (2,175,000)	$ -	$ -
2011 Series, GO	2.00%	1,439,500	503,200	-	(503,200)	-	-
2019 Tax Note	2.20%	7,790,000	5,070,000	-	(965,000)	4,105,000	995,000
2014 Series, CO	2.50%	1,285,000	980,000	-	(60,000)	920,000	60,000
2015 Series, CO	2.50%	3,245,000	2,550,000	-	(145,000)	2,405,000	150,000
2016 Series, CO	2.00%	8,465,000	7,520,000	-	(400,000)	7,120,000	410,000
2021 GO		2,473,600	-	2,473,600	(295,000)	2,178,600	280,000
2021 CO	4.00%	10,800,000	-	10,800,000	(430,000)	10,370,000	415,000
2020 Series, CO		17,365,000	17,080,000	-	(570,000)	16,510,000	595,000
2022 Tax Note	1.90%	6,075,000	-	6,075,000	-	6,075,000	475,000
Total Bonds/Notes Payable		63,253,100	35,878,200	19,348,600	(5,543,200)	49,683,600	3,380,000
Lease payable - BB&T		1,489,406	905,756	-	(905,756)	-	-
Capital lease - Dodge Durango		34,550	6,131	-	(6,131)	-	-
Capital lease - Quint		782,000	711,954	-	(71,744)	640,210	73,482
Capital lease - 2-2018 Police		128,033	11,411	-	(11,411)	-	-
Capital lease - Street Sweeper		54,837	43,234	-	(10,350)	32,884	10,650
Right-to-use lease - Admin		166,004	60,386	105,618	(35,912)	130,092	33,201
Right-to-use lease - Police		244,542	144,583	99,959	(106,802)	137,740	74,920
Right-to-use lease - Fire		37,572	11,236	26,336	(17,767)	19,805	12,524
Right-to-use lease - Development		93,779	42,402	51,377	(30,058)	63,721	31,260
Right-to-use lease - Parks		49,275	-	49,275	(5,943)	43,332	16,425
Totals		$ 66,333,098	$ 37,815,293	$ 19,681,165	$ (6,745,074)	$ 50,751,384	$ 3,632,462

Debt service requirements are as follows:

Year Ending September 30:	Principal	Interest	Total Requirements
2023	$ 3,380,000	$ 1,564,202	$ 4,944,202
2024	3,515,000	1,421,162	4,936,162
2025	3,620,000	1,317,594	4,937,594
2026	3,720,000	1,214,717	4,934,717
2027	3,495,000	1,115,075	4,610,075
2028-2032	13,843,600	3,988,263	17,831,863
2033-2037	11,825,000	1,864,658	13,689,658
2038-2041	6,285,000	333,459	6,618,459
Totals	$ 49,683,600	$ 12,819,130	$ 62,502,730

$1,439,500 of Series 2011 General Obligation Refunding Bonds issued May 23, 2011 for the purpose of refinancing the Series 2008 General Obligation Bonds and the Series 2010 Tax and Revenue Certificates of Obligation. These bonds are secured by the levy and collection of ad valorem taxes. The City has purchased a bond insurance policy in the event of default of payment of principal and interest or any acceleration of the due date of such principal by reason of mandatory or optional redemption. The refunding bond was paid in full with the issuance of the 2021 GO.

$4,315,000 of Series 2009 Combination Tax and Surplus Revenue Certificates of Obligation were issued August 25, 2009 for the purpose of construction and improvements of streets. These bonds are secured by the levy and collection of ad valorem taxes. The City has purchased a bond insurance policy in the event of default of payment for principal and interest or any acceleration of the date of such principal by reason of mandatory or optional redemption. This CO was paid in full with the issuance of the 2021 GO.

$1,285,000 of Series 2014 Combination Tax and Surplus Revenue Certificates of Obligation were issued October 23, 2014 to finance water and sewer system improvements and street improvements. These bonds are secured by the levy and collection of ad valorem taxes. The City has purchased a bond insurance policy in the event of default of payment of principal and interest or any acceleration of the due date of such principal by reason of mandatory or optional redemption.

$3,245,000 of Series 2015 Combination Tax and Surplus Revenue Certificates of Obligation were issued October 23, 2015 to pay the City's contractual obligations to be incurred in connection with the design, construction, engineering, and equipping of improvements to infrastructure and buildings. These bonds are secured by the levy and collection of ad valorem taxes. The City has purchased a bond insurance policy in the event of default of payment of principal and interest or any acceleration of the due date of such principal by reason of mandatory or optional redemption.

$8,465,000 of Series 2016 Combination Tax and Surplus Revenue Certificates of Obligation were issued October 24, 2016 for the design, construction, engineering, and equipping of (1) constructing and improving new and existing streets and roads, sidewalks and related signage and lighting; expansion of Public Works facility; design costs for new City Hall; park improvements including trail improvements; and (2) paying costs and fees associated with projects and issuance of bonds. These bonds are secured by the and collection of ad valorem taxes. The City has purchased a bond insurance policy in the event of default of payment for principal and interest or any acceleration of due date of such principal by reason of mandatory or optional redemption.

$7,790,000 of 2019 Tax Note was issued June 12, 2019 for the public purpose of constructing and improving City streets, a new fire station, and completion of the community center. The CDC has agreed to reimburse $1,245,000 of this Note. The Note is secured by the levy and collection of ad valorem taxes by the City. This Note will be paid in full in FY2026.

$17,365,000 of 2020 Certificates of Obligation was issued May 11, 2020 to acquire, construct, design and engineering a new City Hall complex including related landscaping, fountains, lighting, parking and signage and other professional services in connection with these projects. These bonds are secured by the levy and collection of ad valorem taxes by the City

$3,170,000 of 2021 General Obligation Refunding Bond was issued October 19, 2021. The proceeds were used to advance refund of $3,405,000 in certificate of obligations and general obligation bonds. The net proceeds of $3,443,878 (after payment of $86,421 in underwriting fees and issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, a portion of the refunded bonds are considered defeased and the liability for those bonds has been removed from the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by $72,653. This amount is reported as a deferred outflow of resources and amortized over the remaining life of the refunding debt, which had a shorter remaining life than the refunded debt. The advance refunding reduced the total debt service payments by $570,762 and to obtain an ecomonic gain (difference between the present value of the debt service payments on the old and new debt) of $627,988.

$10,800,000 of 2021 Certificate of Obligation Combination Tax and Surplus Bond was issued October 19, 2021. The proceeds from the sale of the Certificates will be used for constructing and improving new and existing streets and roads including related drainage, signalization, landscaping, sidewalks, lighting and signage, streetscape improvements, and acquiring interests in land necessary for the relocation of utility lines and facilities. This Certificate proceeds for public park and open space improvements. This Certificate are secured by the levy and collection of ad valorem taxes by the City.

$6,075,000 for 2022 Tax Note was issued March 29, 2022 for the public purpose of constructing and equipping a new fire station and the purchase of fire-fighting equipment. This Note is secured by the levy and collection of ad valorem taxes by the City. This Note will be paid in full in FY2029.

Changes in Business-type Long-term Debt

Description	Interest Rate Payable	Amounts Original Issue	Amounts Outstanding September 30, 2021	Issued	Retired	Amounts Outstanding September 30, 2022	Due Within One Year
2007 Series, GO	4.00%	$ 1,275,000	$ 550,000	$ -	$ (550,000)	$ -	-
2007 Series, CO	4.00%	8,250,000	130,000	-	(130,000)	-	-
2011 Series, GO	2.00%	490,500	176,800	-	(176,800)	-	-
2015 Series, GO	3.00%	6,100,000	5,870,000	-	(135,000)	5,735,000	275,000
2021 Series, GO		696,400	-	696,400	-	696,400	21,700
2022 Series, CO		19,420,000	-	19,420,000	-	19,420,000	-
Total Bonds Payable		36,231,900	6,726,800	20,116,400	(991,800)	25,851,400	296,700
Contractual oblig - GTUA, 2019Ref		5,290,000	2,530,000	-	(275,000)	2,255,000	285,000
Contractual oblig - GTUA, 2018		15,200,000	14,800,000	-	(135,000)	14,665,000	135,000
Contractual oblig - GTUA, 2022		13,060,000	-	13,060,000	(435,000)	12,625,000	225,000
Right-to-use leases		92,560	17,862	74,698	(11,453)	81,107	30,419
Lease payable - BB&T		505,813	271,434	-	(271,434)	-	-
Totals		$ 70,380,273	$ 24,346,096	$ 33,251,098	$ (2,119,687)	$ 55,477,507	$ 972,119

Debt service requirements are as follows:

Year Ending September 30:	Principal	Interest	Total Requirements
2023	$ 296,700	$ 1,014,613	$ 1,311,313
2024	562,800	1,113,208	1,676,008
2025	585,400	1,090,276	1,675,676
2026	616,700	1,065,355	1,682,055
2027	636,700	1,037,679	1,674,379
2028-2032	3,783,200	4,687,849	8,471,049
2033-2037	4,519,900	3,753,941	8,273,841
2038-2042	3,250,000	2,813,025	6,063,025
2043-2047	3,425,000	2,104,981	5,529,981
2048-2052	8,175,000	976,544	9,151,544
Totals	$ 25,851,400	$ 19,657,471	$ 45,508,871

$1,275,000 Series 2007 General Obligation Refunding Bonds were issued December 11, 2007 for the purpose of refinancing the Series 2003. The bonds are secured by the pledge of surplus net revenue of the City's waterworks and sewer system remaining after payment of all operation and maintenance expenses thereof. The City purchased a bond insurance policy in the event of payment for principal and interest or any acceleration of due date of such principal by reason of mandatory or optional redemption. These bonds were paid in full with the issuance of the 2021 GO.

$8,250,000 Series 2007, Combination Tax and Surplus Revenue Certificates of Obligation were issued December 11, 2007 for the purpose of acquiring, constructing, and installing additions and improvements to the waterworks and sanitary sewer system. The bonds are secured by the pledge of surplus net revenue of the City's waterworks and sewer system remaining after payment of all operation and maintenance expenses thereof. The City purchased a bond insurance policy in the event of payment for principal and interest or any acceleration of due date of such principal by reason of mandatory or option redemption. These bonds were paid in full with the issuance of the 2021 GO.

$490,500 Series 2011, General Obligation Refunding Bonds were issued May 23, 2011 for the purpose of refinancing the Series 2008 General Obligation Refunding Bonds. The bonds are secured by the pledge of surplus net revenue of the City's waterworks and sewer system. The City purchased a bond insurance policy in the event of payment for principal and interest or any acceleration of due date of such principal by reason of mandatory or option redemption. These bonds were paid in full with the issuance of the 2021 GO.

$6,100,000 Series 2015, General Obligation Refunding Bonds were issued October 28, 2015. These proceeds were used to advance refund $5,930,000 of outstanding Series 2007 General Obligation Refunding Bonds which had an interest rate of 4.0%. The net proceeds of $6,227,204 (including a $378,255 premium and after payment of $134,925 in underwriting fees and other issuance costs were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, $5,930,000 of Series 2007 debt is considered defeased and that amount of the liability for those bonds has been removed from the statement of net position. The Series 2007 bonds still have $950,000 of non-refunded debt recorded on the statement of net position at September 30, 2021. The reacquisition price exceeded the net carrying amount of the old debt by $127,204. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt. The City advance refunded Series 2007 General Obligation Refunding Bonds to reduce its total debt service payments over 27 years by $1,270,735 and to obtain an economic gain (difference between the present values of the debt service payments on the old and debt) of $893,533. These bonds are secured by the pledge of net revenue from the City's waterworks and sewer system. The City purchased a bond insurance policy in the event of payment for principal and interest or any acceleration of due date of such principal by reason of mandatory or option redemption.

$3,170,000 of 2021 General Obligation Refunding Bond was issued October 19, 2021. The proceeds from the sale of this bond is used for refunding a portion of the City's outstanding tax-supported debt. These bonds are secured by the levy and collection of ad valorem taxes by the City.

$20,245,000 of 2022 Combination Tax and Surplus Revenue Certificates of Obligation were issued September 19, 2022. The proceeds of these Certificates will be used for the City's contractual obligations incurred in connection with wastewater system improvements consisting of constructing and improving new and existing wastewater lines and connections and related improvements and legal, fiscal and engineering fees in connection with these projects.

The City intends to retire all its general long-term liabilities, plus accrued interest, from ad valorem taxes and other current revenues. The proprietary fund type long-term debt, plus accrued interest, will be repaid from operating revenues of the Water and Sewer Fund.

I. CONTRACTUAL OBLIGATIONS WITH GREATER TEXOMA UTILITY AUTHORITY

Under the terms of long-term water supply and sewer service contracts between the City and Greater Texoma Utility Authority (GTUA), the City recognizes that GTUA has an undivided ownership interest in the City's water system and sewer collection and treatment facility equivalent to the percentage of the total cost of the facility provided by GTUA through the issuance of GTUA certificates of obligation.

The City has contractual obligation to make payments specified by the contract to GTUA to pay the principal and interest on the bonds, maintain a Reserve Fund for the security and payment of bonds similarly secured, pay the administrative and overhead expenses of GTUA directly attributable to the certificates of obligation, and pay any extraordinary expenses incurred by GTUA in connection with the debt. Under terms of the contracts, the City's obligation to make payments to GTUA, as well as GTUA's ownership interest in the facilities, terminates when all of GTUA's bonds issued in connection with construction of the facilities have been paid in full, are retired, and are no longer outstanding.

Contractual Obligations

In 2009, GTUA agreed to issue revenue bonds for improvements and to increase capacity to the City's existing wastewater treatment plant facilities. In March 2019, these bonds were part of a refunding series issued by GTUA. The balance of this refunding debt is $2,530,000 and will be paid in full in September 2029.

In 2018, GTUA agreed to issue revenue bonds in the amount of $15,200,000 to finance the planning, acquisition, design, and construction of certain water system improvements identified by the City as the Forest Grove pump station. The pump station is slated to go online in the Spring of 2022. The balance of the bonds is $14,800,000 and will be paid in full in FY2048.

In 2022, GTUA agreed to issue revenue bonds in the amount of $13,060,000 to finance the planning, acquisition, design, and construction of certain water system improvements identified by the City as the South Elevated Storage. Construction began in the summer of 2022. These bonds will be paid in full in FY2052.

Minimum contractual commitments to be paid to GTUA by the City are as follows:

Year Ending September 30:	Principal	Interest	Total Requirement
2023	$ 645,000	$ 860,676	$ 1,505,676
2024	670,000	836,244	1,506,244
2025	700,000	810,483	1,510,483
2026	720,000	783,315	1,503,315
2027	755,000	755,051	1,510,051
2028-2032	4,385,000	3,318,589	7,703,589
2033-2037	5,185,000	2,626,659	7,811,659
2038-2042	5,885,000	1,920,269	7,805,269
2043-2047	6,705,000	1,103,606	7,808,606
2048-2052	3,895,000	298,221	4,193,221
Total Payments	$ 29,545,000	$ 13,313,113	$ 42,858,113

J. RIGHT-TO-USE LEASES PAYABLE

The City has entered into multiple lease agreements as lessee. The leases allow the right-to-use of vehicles over the term of the lease. The City is required to make monthly lease payments at the rate stated or implied within the leases. Effective October 1, 2021, the City implemented GASB Statement No. 87, *Leases*. At implementation of this statement and the commencement of leases beginning after October 1, 2021, the City initially measured the lease liability at the present value of payments expected to be made during the remaining lease term. The lease rate, term and ending lease liability are as follows:

	Interest Rates	Liability at Commencement	Lease Term in Years	Ending Balance
Governmental Activities:				
Vehicles	5.0%	$ 425,168	3	264,598
Equipment	5.0%	166,004	5	130,092
		591,172		394,690
Business-type Activities:				
Vehicles	5.0%	74,698	3	70,124
Equipment	5.0%	17,862	5	10,983
		$ 92,560		$ 81,107

The annual requirements to amortize leases payable outstanding as of September 30, 2022, including interest of $20,285.

	Governmental Activities		Business-type Activities	
FYE Sept 30	Principal	Interest	Principal	Interest
2023	$ 168,330	$ 15,489	$ 30,419	$ 3,365
2024	132,285	8,076	28,128	1,848
2025	68,853	2,803	22,559	550
2026	25,220	638	-	-
	$ 394,688	$ 27,006	$ 81,106	$ 5,763

K. PENSION PLAN

Summary of Significant Accounting Policies

For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at market value.

1. Plan Description

The City participates as one of 901 plans in the defined benefit cash-balance plan administered by Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the Texas Government Code, Title 8, Subtitle G (TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS does not receive any funding from the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report that can be obtained at tmrs.com.

All eligible employees of the City are required to participate in TMRS.

2. Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the City Council, within the options available in the state statutes governing TMRS.

At retirement, the member's benefit is calculated as if the sum of the members' contributions with interest, and the city-financed monetary credits with interest, and their age at retirement and other actuarial factors. The retiring member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24 or 36 monthly payments, which cannot exceed 75% of the total member contributions and interest.

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City-financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%, 150%, or 200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit which is a theoretical amount, which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated, with interest, if the current employee contribution rate and City matching percent had always been in existence and if the employee's salary had always been the average of his or her salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions, with interest, and the employer-financed monetary credits, with interest, were used to purchase an annuity.

When these liabilities are liquidated for governmental activities, the General Fund will be primarily responsible.

TMRS Plan provisions for the City were as follows:

	Plan Year	
	2022	2021
Employee deposit rate	7.00%	7.00%
Matching Ratio (City to Employee):	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20
Updated Service Credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity Increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating
Supplemental Death Benefit to Active Employees	Yes	Yes
Supplemental Death Benefit to Retirees	Yes	Yes

The City also participates in Social Security.

Employees covered by benefit terms:
At December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

	Plan Year	
Number of:	2021	2020
Inactive employees or beneficiaries currently receiving benefits	19	18
Inactive employees entitled to but not yet receiving benefits	43	34
Active employees	112	104
Total	174	156

3. Contributions

Member contribution rates in TMRS are either 5%, 6%, or 7% of the member's total compensation, and the City matching percentages are either 1:1 (1 to 1), 1.5:1 (1 1/2 to 1) or 2:1 (2 to 1), both as adopted by the Princeton City Council. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual compensation during the fiscal year. The City's contribution rate requirement set by TMRS was 11.53% for October 2021 - December 2021 and was 11.97% for calendar year 2022. The City's contributions to TMRS for fiscal year 2022 were $1,528,333.

4. Net Pension Liability

The City's Net Pension Liability ("NPL") was measured as of December 31, 2021, and the Total Pension Liability ("TPL") used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial assumptions:
The TPL in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

Actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rate (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed by each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return (Arithmetic)
Global equity	35.0%	7.55%
Core Fixed Income	6.0%	2.00%
Non-Core Fixed Income	20.0%	5.68%
Other public and private markets	12.0%	7.22%
Real Estate	12.0%	6.85%
Hedge funds	5.0%	5.35%
Private Equity	10.0%	10.00%
	100.0%	

Discount Rate

The discount rate used to measure the TPL was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2019	$ 10,114,730	$ 9,293,316	$ 821,414
Service cost	1,142,763	-	1,142,763
Interest (on the total pension liability)	711,122	-	711,122
Difference between expected and actual experience	(65,772)	-	(65,772)
Changes of assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(301,911)	(301,911)	-
Contributions - employer	-	740,427	(740,427)
Contributions - employee	-	454,250	(454,250)
Net investment income	-	1,212,612	(1,212,612)
Administrative expense	-	(5,606)	5,606
Other	-	38	(38)
Net changes	1,486,202	2,099,810	(613,608)
Balance at December 31, 2020	$ 11,600,932	$ 11,393,126	$ 207,806

Sensitivity of the net pension liability to changes in the discount rate

The following presents the NPL of the City, calculated using the discount rate of 6.75%, as well as what the City's NPL would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) and 1-percentage-point-higher (7.75%) than the current rate:

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
$ 2,348,355	$ 207,806	$ (1,491,710)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in the Schedule of Changes in Fiduciary Net Position, by participating city and may be obtained at www.tmrs.com.

5. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2022, the City recognized pension expense of $688,447.

At September 30, 2022, the City reported deferred outflow of resources and deferred inflow of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual economic experience	$ -	$ (235,768)
Changes in actuarial assumptions	189,939	-
Difference between projected and actual investment earnings	-	(310,722)
Contributions subsequent to the measurement date	739,574	-
Changes in the Net Pension Liability	$ 929,513	$ (546,490)

$739,573 reported as deferred outflow of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflow and inflow of resources related to pension will be recognized in pension expense as follows:

Net deferred outflows (inflows) of resources: December 31	
2022	$ (28,003)
2023	(146,833)
2024	(65,961)
2025	(104,792)
2026	(10,962)
Thereafter	-
Total	$ (356,551)

L. OTHER POSTEMPLOYMENT BENEFITS

1. Plan Description

The City participates in a single-employer defined benefit group-term life insurance plan that is administered by TMRS known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the member's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit (OPEB) and is a fixed amount of $7,500. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated).

The member city contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire career.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS

When these liabilities are liquidated for governmental activities, the General Fund will be primarily responsible.

2. Benefits Provided

Employees covered by benefit terms:
At December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Membership *	Plan Year	
Number of:	2021	2020
Inactive employees currently receiving benefits	15	13
Inactive employees entitled to but not yet receiving benefits	5	3
Active employees	112	104
Total	132	120

* Membership counts for inactive employees currently receiving or entitled to but not yet receiving benefits will differ from GASB 68 as they include only those eligible for a SDBF benefit (i.e. excludes beneficiaries, non-vested terminations due a refund, etc.).

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Changes in the Total OPEB Liability

Total OPEB Liability - beginning of year	$ 157,331
Changes for the year	
Service cost	22,712
Interest on total OPEB liability	3,354
Changes in benefit terms	-
Differences between expected and actual experience	(8,947)
Changes in assumptions or other inputs	5,818
Benefit payments **	(1,947)
Net changes	20,990
Total OPEB Liability - end of year	$ 178,321

** Due to the SDBF being considered an unfunded OPEB plan under GASB75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Note: The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate:

	1% Decrease 0.84%	Current Discount Rate 1.84%	1% Increase 2.84%
Total OPEB Liability	$ 220,873	$ 178,321	$ 145,759

OPEB Expense:	
Service cost	22,712
Interest on total OPEB liability	3,354
Changes in benefit terms	-
Employer administrative costs	-
Recognition of deferred outflows/inflows of resources:	
Differences between expected and actual experience[1]	(2,788)
Changes in assumptions or other inputs[2]	6,613
Total OPEB Expense - end of year	$ 29,891

Schedule of Outflows and Inflows - Current and future expense

	Deferred (Inflow) of Resources	Deferred Outflow of Resources
Differences between expected and actual experience	$ 14,813	$ -
Changes in assumptions and other inputs	-	40,399
Contributions subsequent to the measurement date	-	-
Total	$ 14,813	$ 40,399

$7,414 reported as deferred outflow of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflow and inflow of resources related to pension will be recognized in pension expense as follows:

Deferred Outflows and Deferred Inflows of Resources, by year, to be recognized in future OPEB expense (excluding city-provided contributions made subsequent to the measurement date):

Net deferred outflows (inflows) of resources:
December 31

2022	$ 3,825
2023	3,825
2024	3,392
2025	3,658
2026	3,198
Thereafter	274
Total	$ 18,172

Schedule of Contributions - (Retiree-only portion of the rate, for OPEB):

Plan Year	Total SDB Contribution Rate	Retiree Portion of SDB Contribution Rate
2018	0.12%	0.03%
2019	0.11%	0.03%
2020	0.12%	0.01%
2021	0.12%	0.01%
2022	0.12%	0.02%

M. VOLUNTEER FIREFIGHTERS RETIREMENT

The City participates in the Texas Emergency Services Retirement System (TESRS). This is a pension system for volunteer firefighters and first responders. Members are half-vested at 10 years of qualified service, and are eligible to receive a lifetime annuity at the age of 55. Members are fully-vested at 15 years of qualified service, and are eligible to receive a lifetime annuity at the age of 55. The City currently has 18 volunteer firefighters participating. During the fiscal year, $5,279 was paid to TESRS.

N. HEALTH CARE COVERAGE

During the year ended September 30, 2022, employees of the City were covered by a health, dental, and vision insurance plans. The City contributed $688 per month per employee for employee coverage and $0 for dependent's health insurance. The City contributed $3.42 per month per employee (100% of the cost per employee) for dental insurance and $6 per month per employee for vision. Employees, at their option, authorized payroll withholdings for dependent coverage. Health and dental insurance is provided by TML MultiState Intergovernmental Employee Benefit Pool and vision insurance is with Avesis.

O. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City had general liability coverage at a cost that is considered to be economically justifiable by joining together with other governmental entities in the State as a member of the Texas Municipal League Intergovernmental Risk Pool ("TML"). TML is a self-funded pool operating as a common risk management and insurance program. The City pays an annual premium to TML for its above insurance coverage. The agreement for the formation of TML provides that TML will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of acceptable risk levels; however, each category has its own level of reinsurance. The City continues to carry commercial insurance for other risks of loss. There were no significant reductions in commercial insurance coverage in the past fiscal year and settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years.

P. LITIGATION

The City is subject to certain legal proceedings in the normal course of operations. In the opinion of management, the aggregate liability, if any, with respect to potential legal actions will not materially adversely affect the City's financial position, results of operations, or cash flows.

Q. ECONOMIC INCENTIVES

The City enters into economic development agreements designed to promote development within the City, spur economic improvement, stimulate commercial activity, generate additional sales tax and enhance the property base and economic vitality of the City. These programs may abate or rebate property taxes and sales tax, and also include incentive payments and reductions in fees not tied to taxes. The City's economic development agreements are authorized under Chapter 380 of the Texas Local Government Code and the Revenue Sharing Agreement as covered under Texas Tax Code § 321.3022(b), which allows a municipality to request that the State Comptroller provide information related to the amount of sales and use tax paid during the preceding or current calendar year. The City has entered into one incentive agreement; however, no payments have been made as of September 30, 2022.

R. ADDITIONAL WATER AND SEWER INFORMATION

The City secures its water supply from the North Texas Municipal Water District ("NTMWD"), a district authorized by the Texas Constitution, Article XVI, Section 59; created by the Texas Legislature, Article 8280-141; and authorized to act by the confirming vote of the majority of the qualified voters in each of the cities comprising the District. The District has police, taxation and eminent domain powers and is authorized to issue revenue and/or tax bonds upon approval by the Attorney General of the State of Texas and functions as a political subdivision of the State of Texas independent of the City. The District is governed by a 17-member board ("Board"), the City being authorized by statute to appoint two of those members. The Board has full power and discretion to establish its budget and to set the rates for the services it provides by contracts with its member cities and customers. The Board is empowered by statute and contract, or otherwise permitted by law, to discontinue a facility or service in order to prevent an abuse or to enforce payment of an unpaid charge, fee, or rental due to the District. Due to these factors, the District is not included in the City's basic financial statements.

The City entered into a contract with the District whereby the District agreed to provide water for the benefit of the City. In return, the City agreed to pay the District at a rate of $3.39 per 1,000 gallon basis, subject to minimum annual payments. The City's cost for the current fiscal year was $2,478,004.

The following information is included at the request of the Texas Water Development Board for the year under audit.
Water Accountability Report:

Gallons Pumped	963,527,100
Gallons Billed	860,418,300

S. TRANSFERS

Transfers between funds during the fiscal year were as follows:

Transfers Out	Park Projects	Street Projects	ARPA Grant	Special Revenue Fund	Storm Water	Water/ Sewer	Total
General Fund	$ -	$ 144,139	$ 1,724,771	$ 1,619	$ -	$ -	$ 1,870,529
TIRZ	-	3,066,449	-	-	-	-	3,066,449
Debt Service	151,390	-	-	-	34,769	192,137	378,296
Street Project	5,159,283	(3,210,588)	-	-	-	-	1,948,695
Building Project	757,404	-	-	-	-	-	757,404
	6,068,077	-	1,724,771	1,619	34,769	192,137	8,021,373

T. PRIOR PERIOD ADJUSTMENT

The following entries were recorded to correct prior year's balances in the government-wide statement of activities:

Correct franchise tax receivables	$ 63,720	General Fund
Correct debt liabilities	(146,628)	Debt Service Fund
Reclassification of Police Seizure Fund	(55,488)	Seizure Fund
	$ (138,396)	
Correct prior year's accumulated depreciation	$ 1,010,337	Utility Fund

U. PUBLIC IMPROVEMENT DISTRICTS

Special Assessment Revenue bonds are issued by the City for the Public Improvement Districts (PID) and are secured solely from assessment revenues generated by each PID. The City is not obligated in any manner for this special assessment debt but merely acts as the developer's agent in handling the debt service by each PID and forwarding to the Trustee for payment to the bond holders. The Trustee for the bond proceeds were deposited into trust accounts with Regions Bank for the purpose of funding improvements in the projects. Regions Bank serves as trustee, for the benefit of the bond holders, for these funds as well as any and all other property or money of every name and nature, which is, from time-to-time hereafter by delivery or in writing of any kind, conveyed, pledged, assigned, or transferred to the Trustee.

	Original Issue	Payments/ Redemptions	Balance as of 9/30/2022
Special Assessment Revenue Bonds, Series 2018 (5/2018) Arcadia Farms Public Improvement District Phases 1 & 2	$ 3,190,000	$ (175,000)	$ 3,015,000
Special Assessment Revenue Bonds, Series 2018 (9/2018) Crossroads Public Improvement District Major Improvements	9,485,000	(1,525,000)	7,960,000
Special Assessment Revenue Bonds, Series 2019 (5/2019) Brookside Public Improvement District Phase 1	3,685,000	(135,000)	3,550,000
Special Assessment Revenue Bonds, Series 2019 (6/2019) Arcadia Farms Public Improvement District Phases 8 & 9	3,090,000	(532,000)	2,558,000
Special Assessment Revenue Bonds, Series 2019 (9/2019) Whitewing Trails Public Improvement District No. 2 Ph 2-6 MIA	8,210,000	-	8,210,000
Special Assessment Revenue Bonds, Series 2019 (9/2019) Whitewing Trails Public Improvement District No. 2 Phase 1	7,850,000	(150,000)	7,700,000
Special Assessment Revenue Bonds, Series 2020 (7/2020) Arcadia Farms Public Improvement District Phases 3 & 4	2,837,000	(116,000)	2,721,000
Special Assessment Revenue Bonds, Series 2020 (7/2020) Winchester Public Improvement District Phases 1 & 2	4,905,000	(180,000)	4,725,000
Special Assessment Revenue Bonds, Series 2021 (10/2021) Winchester Public Improvement District Phases 3 & 4	4,893,000	-	4,893,000
Special Assessment Revenue Bonds, Series 2021 (6/2021) Brookside Public Improvement District Phases 2 & 3	3,123,000	(78,000)	3,045,000
Special Assessment Revenue Bonds, Series 2022 (3/2022) Arcadia Farms Public Improvement District Phases 5 - 7	4,745,000	-	4,745,000
Special Assessment Revenue Bonds, Series 2022 (7/2022) Winchester Public Improvement District #2	13,434,000	-	13,434,000
Special Assessment Revenue Bonds, Series 2022 (8/2023) Eastridge Public Improvement District- #1 Project	11,209,000	-	11,209,000
	$ 80,656,000	$ (2,891,000)	$ 77,765,000

V. TAX ABATEMENTS AND ECONOMIC DEVELOPMENT INCENTIVES

The City enters into economic development agreements designed to promote development and redevelopment within the City, spur economic improvement, stimulate commercial activity, general additional sales tax and enhance the property tax base and economic vitality of the City. The City's economic development agreements are authorized under Chapter 380 of the Texas Local Government Code.

There were not any tax rebates or incentives paid in the current fiscal year.

W. SUBSEQUENT EVENTS

Management has evaluated all events and transactions that occurred after September 30, 2022 up through May 22, 2023, the date of the financial statements were available to be issued. The City is not aware of any events requiring financial statement disclosure other than those mentioned within the report.

X. PRINCETON ECONOMIC DEVELOPMENT CORPORATION

In accordance with GASB Statement No. 14, the Financial Reporting Entity, as amended by GASB Statement No. 61, the Princeton Economic Development Corporation ("EDC") is a discretely presented component on the combined financial statements. The EDC was incorporated October 1, 2005 and is governed by a seven-member board appointed by and serving at the pleasure of the City Council. The funding for EDC occurs by the City transferring 1/4 sales tax revenues collected by the City. The purpose for which the EDC is organized and may issue or incur bonds or other obligations on behalf of the City for the promotion and development of commercial, industrial and manufacturing enterprises, promotion, development and expansion of business enterprises, and to promote and encourage employment and public welfare.

COMPLIANCE AND ACCOUNTABILITY

a. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

Violation	Action Taken
None	n/a

b. Deficit Fund Balance or Fund Net Position of Individual Funds

Following are funds having deficit fund balances or fund net position at year end, if any, along with remarks which address such deficits:

Violation	Action Taken
None	n/a

1. Deposits and Investments

Cash and investments as of September 30, 2022 consist of and are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Primary Government	
Total Cash and Cash Equivalents	$ 4,166,000
Checking account	$ 721,796
Investment Pools	3,444,204
Total cash and cash equivalents	$ 4,166,000

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Public Funds Investment Act and the City's Investment Policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provisions for deposits. The Public Funds Investment Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a deposit regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least the bank balance less the FDIC at all times.

As of September 30, 2022, EDC had the following investment:

Investment Type	Amount	Average Maturity	Minimum Legal Rating	Rating as of Year End
TexPool	$ 3,444,204	37	N/A	AAA-m

2. Receivables

Receivables at the end of the fiscal year were $254,718 representing sales tax owed from the State. Receivables are collected after year-end; therefore, no allowance for uncollectible has been recorded.

3. Capital Assets

Governmental Activities	Beginning Balances	Additions	Decreases	Ending Balances
Capital assets, not being depreciated:				
Land	$ 786,196	$ 729,212	$ (81,745)	$ 1,433,663
Construction in progress	-	1,314,456	-	1,314,456
Total capital assets, not being depreciated:	786,196	2,043,668	(81,745)	2,748,119
Capital assets, being depreciated:				
Infrastructure	503,434	-	-	503,434
Machinery & Equipment	16,278	-	-	16,278
Total capital assets being depreciated:	519,712	-	-	519,712
Less accumulated depreciation for:				
Infrastructure	(37,758)	(12,586)	-	(50,344)
Machinery & Equipment	(14,527)	(1,751)	-	(16,278)
Total accumulated depreciation	(52,285)	(14,337)	-	(66,622)
Total capital assets, being depreciated, net	467,427	(14,337)	-	453,090
Governmental activities capital assets, net	$ 1,253,623	$ 2,029,331	(81,745)	$ 3,201,209

4. Long-Term Obligations

A summary of long-term obligations for the year ended September 30, 2022 is as follows:

Description	Amounts Issue	Amounts Outstanding September 30, 2021	Prior Period Adjustment	Retired	Amounts Outstanding September 30, 2022	Due Within One Year
Long-term Payable-City 2016 CO	$ 1,152,000	$ 1,050,000	$ (146,626)	$ (50,164)	$ 853,210	$ 51,230
Total Long-term Payable	1,152,000	1,050,000	(146,626)	(50,164)	853,210	51,230

Debt service requirements are as follows:

Year Ending September 30:	Principal	Interest	Total
2023	$ 51,230	$ 23,770	$ 75,000
2024	52,141	22,859	75,000
2025	53,117	21,883	75,000
2026	54,335	20,665	75,000
2027	55,767	19,233	75,000
2028-2032	306,158	68,842	375,000
2033-2036	280,462	19,538	300,000
Totals	$ 853,210	$ 196,790	$ 1,050,000

The EDC agreed to pay a portion of the 2016 Certificate of Obligations for the streets and roads, drainage, and streetscape improvements for the Industrial Park.

5. Prior Period Adjustment

The following entries were recorded to correct prior year's balances in the government-wide statement of activities:

Correct long-term debt liability	$ 146,626

6. Litigation

Management is not aware of any pending or threatened litigation involving the EDC.

7. Subsequent Events

The EDC has evaluated all events and transactions that occurred after September 30, 2022 up through May 22, 2023, the date the financial statements were available to be issued. During this period, management was unaware of any subsequent events requiring disclosure other than those mentioned within the report.

Y. PRINCETON COMMUNITY DEVELOPMENT CORPORATION

In accordance with GASB Statement No. 14, the Financial Reporting Entity, as amended by GASB Statement No. 61, the Princeton Community Development Corporation ("CDC") is a discretely presented component on the combined financial statements. The CDC was incorporated July 3, 1997 and is governed by a seven-member board appointed by and serving at the pleasure of the City Council. The funding for CDC occurs by the City transferring 1/4 sales tax revenues collected by the City. The purpose of the CDC is for the purpose of promoting projects to enhance the community. The 4B tax proceeds may be spent on land, buildings, equipment, facilities, expenditures for targeted infrastructure, and improvements throughout the City.

COMPLIANCE AND ACCOUNTABILITY

a. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

Violation	Action Taken
None	n/a

b. Deficit Fund Balance or Fund Net Position of Individual Funds

Following are funds having deficit fund balances or fund net position at year end, if any, along with remarks which address such deficits:

Violation	Action Taken
($2,655,567)	CDC portion of 2021 CO to fund City park improvements caused government-wide unrestricted fund balance to become deficit. As this long-term debt is paid each year, the fund balance will reflect a decrease as a deficit.

1. Deposits and Investments

Cash and investments as of September 30, 2022 consist of and are classified in the accompanying financial statements as follows:

Statement of Net Position:

Primary Government	
Total Cash and Cash Equivalents	$ 1,701,942
Checking account	$ 205,012
Investment Pools	1,496,931
Total cash and cash equivalents	$ 1,701,942

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Public Funds Investment Act and the City's Investment Policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provisions for deposits. The Public Funds Investment Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a deposit regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least the bank balance less the FDIC at all times.

As of September 30, 2022, CDC had the following investment:

Investment Type	Amount	Average Maturity	Minimum Legal Rating	Rating as of Year End
TexPool	$ 1,496,931	25	N/A	AAA-m

2. Receivables

Receivables at the end of the fiscal year were $254,719 representing sales tax owed from the State. Receivables are collected after year-end; therefore, no allowance for uncollectible has been recorded.

3. Capital Assets

Governmental Activities	Beginning Balances	Additions	Decreases/ Reclassification	Ending Balances
Capital assets, not being depreciated:				
Construction in progress	$ 1,215,954	$ 99,358	$ (1,315,312)	$ -
Total capital assets, not being depreciated:	1,215,954	99,358	(1,315,312)	-
Capital assets, being depreciated:				
Building and improvements	138,557	-	1,315,312	1,453,869
Machinery and equipment	9,275	-	-	9,275
Total capital assets being depreciated:	147,832	-	1,315,312	1,463,144
Less accumulated depreciation for:				
Building and improvements	(22,227)	(3,464)	-	(25,691)
Machinery and equipment	(9,275)	-	-	(9,275)
Total accumulated depreciation	(31,502)	(3,464)	-	(34,966)
Total capital assets, being depreciated, net	116,330	(3,464)	1,315,312	1,428,178
Governmental activities capital assets, net	$ 1,332,284	$ 95,894	$ -	$ 1,428,178

4. Long-Term Obligations

A summary of long-term obligations for the year ended September 30, 2022 is as follows:

Description	Amounts Issued	Amounts Outstanding September 30, 2021	Issued/ Refunded	Retired	Amounts Outstanding September 30, 2022	Due Within One Year
Long-term payable-City 2011 GO	$ 941,259	$ 278,250	$ (278,250)	$ -	$ -	$ -
Long-term payable-City-2019 Tax Note	1,245,000	862,576	52,424	(175,000)	740,000	180,000
Long-term payable-City-2021 GO	165,760	-	165,760	(20,720)	145,040	19,425
Long-term payable-City-2021 CO	5,295,000	-	5,295,000	(205,000)	5,090,000	205,000
Total Long-term Payable	$ 7,647,019	$ 1,140,826	$ 5,234,934	$ (400,720)	$ 5,975,040	$ 404,425

Debt service requirements are as follows:

Year Ending September 30:	Principal	Interest	Total
2023	$ 404,425	$ 147,010	$ 551,435
2024	413,130	133,011	546,141
2025	424,425	119,965	544,390
2026	435,720	108,930	544,650
2027	250,720	100,827	351,547
2028-2032	1,326,620	371,605	1,698,225
2033-2037	1,450,000	202,530	1,652,530
2038-2041	1,270,000	52,723	1,322,723
Totals	$ 5,975,040	$ 1,236,601	$ 7,211,641

The CDC agreed to pay a portion of the City's 2011 General Obligation bonds. This bond was paid in full with the issuance of the 2021 GO.

The CDC agreed to pay $1,245,000 of the 2019 Tax Note for the improvements to the Community Center. This debt will be paid in full to the City in FY2026.

The CDC agreed to pay $5,295,000 of the 2021 Certificates of Obligation for park improvements. This debt to the City will be paid in full in FY2041.

5. Prior Period Adjustment

The following entries were recorded to correct prior year's balances in the government-wide statement of activities:

Correct long-term debt liability	$ (52,424)

6. Litigation

Management is not aware of any pending or threatened litigation involving the CDC.

7. Subsequent Events

The CDC has evaluated all events or transactions that occurred after September 30, 2022 up through May 22, 2023, the date the financial statements were available to be issued. During this period, management was unaware of any subsequent events requiring disclosure other than those mentioned within this report.

PRINCETON
TEXAS

PRINCETON

TEXAS

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PRINCETON, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS
LAST EIGHT YEARS (UNAUDITED)

	FISCAL YEAR				
	2015	2016	2017	2018	2019
Actuarially determined contribution	$ 245,654	$ 268,209	$ 348,806	$ 441,941	$ 526,669
Contributions in relation to the actuarially determined contribution	$ 253,243	$ 253,725	$ 348,680	$ 441,024	$ 527,057
Contributions deficiency (excess)	$ (7,589)	$ 14,484	$ 126	$ 917	$ (388)
Covered payroll	$ 2,168,175	$ 2,527,893	$ 3,272,097	$ 4,095,842	$ 4,899,250
Contributions as a percentage of covered-employee payroll	11.33%	10.61%	10.66%	10.79%	10.75%

	FISCAL YEAR		
	2020	2021	2022
Actuarially determined contribution	$ 622,562	$ 708,530	$ 959,989
Contributions in relation to the actuarially determined contribution	$ 629,357	$ 697,566	$ 961,251
Contributions deficiency (excess)	$ (6,795)	$ 10,964	$ (1,262)
Covered payroll	$ 5,791,275	$ 6,209,727	$ 8,101,171
Contributions as a percentage of covered-employee payroll	10.75%	11.41%	11.85%

Notes: The schedule is intended to show information for 10 years. Additional years will be displayed as they become available. GASB 68, paragraph 81.2.b requires that the data in this schedule be presented as of the City's fiscal year as opposed to the time period covered by the measurement date.

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date:

Notes — Actuarially determined contribution rates are calculated as of December 31 and becomes effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	24 years (longest amortization ladder)
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employer tables used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes — There were no benefit changes during the year.

CITY OF PRINCETON, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM
LAST EIGHT FISCAL YEARS (UNAUDITED)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS-TMRS

	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Total pension liability								
Service cost	$ 1,142,763	$ 1,061,392	$ 877,804	$ 729,872	$ 588,068	$ 422,523	$ 339,669	$ 270,343
Interest (on the Total Pension Liability)	711,122	599,821	493,867	422,272	365,981	318,863	302,819	281,321
Changes of benefit terms	-	-	-	-	-	-	-	-
Difference between expected and actual experience	(65,772)	196,597	293,353	74,525	43,938	94,966	(104,990)	(89,706)
Change of assumptions	-	-	37,494	-	-	-	4,858	-
Benefit payments, including refund of employee contributions	(301,911)	(197,248)	(252,000)	(227,937)	(241,953)	(200,204)	(171,543)	(207,466)
Net Change in Total Pension Liability	1,486,202	1,660,562	1,450,518	998,732	756,034	636,148	370,813	254,492
Total Pension Liability - Beginning	10,114,730	8,454,168	7,003,650	6,004,918	5,248,884	4,612,736	4,241,923	3,987,431
Total Pension Liability - Ending (a)	$ 11,600,932	$ 10,114,730	$ 8,454,168	$ 7,003,650	$ 6,004,918	$ 5,248,884	$ 4,612,736	$ 4,241,923
Plan Fiduciary Net Position								
Contributions - employers	$ 740,427	$ 656,876	$ 552,995	$ 462,168	$ 368,823	$ 264,028	$ 228,154	$ 166,531
Contributions - employees	454,250	427,734	360,177	299,830	242,288	173,775	142,462	127,401
Net investment income	1,212,612	593,791	958,656	(174,886)	666,064	289,272	6,036	216,789
Benefit payments, including refund of employee contributions	(301,911)	(197,248)	(252,000)	(227,937)	(241,953)	(200,204)	(171,543)	(207,466)
Administrative expense	(5,606)	(3,839)	(5,418)	(3,385)	(3,458)	(3,275)	(3,676)	(2,263)
Other	38	(150)	(160)	(177)	(175)	(176)	(182)	(186)
Net Change in Plan Fiduciary Net Position	2,099,810	1,477,164	1,614,250	355,613	1,031,589	523,420	201,251	300,806
Plan Fiduciary Net Position - Beginning	9,293,316	7,816,152	6,201,902	5,846,289	4,814,700	4,291,280	4,090,029	3,789,223
Plan Fiduciary Net Position - Ending (b)	$ 11,393,126	$ 9,293,316	$ 7,816,152	$ 6,201,902	$ 5,846,289	$ 4,814,700	$ 4,291,280	$ 4,090,029
Net Pension Liability - Ending (a)-(b)	$ 207,806	$ 821,414	$ 638,016	$ 801,748	$ 158,629	$ 434,184	$ 321,456	$ 151,894
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	98.21%	91.88%	92.45%	88.55%	97.36%	91.73%	93.03%	96.42%
Covered Payroll	$ 6,489,282	$ 6,110,492	$ 5,145,390	$ 4,283,289	$ 4,899,250	$ 2,482,506	$ 2,035,165	$ 1,820,011
Net Pension Liability as a Percentage of Covered-Employee Payroll	3.20%	13.44%	12.40%	18.72%	3.24%	17.49%	15.80%	8.35%

Notes to Schedule:

*May be off due to rounding

Note: The schedule is required to show information for 10 years. Additional years will be displayed as they become available.

CITY OF PRINCETON, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OPEB FUNDING PROGRESS AND CONTRIBUTIONS
LAST EIGHT YEARS (UNAUDITED)

	FISCAL YEAR				
	2015	2016	2017	2018	2019
Actuarially determined contribution	$ 3,252	$ 3,286	$ 4,581	$ 4,915	$ 5,389
Contributions in relation to the actuarially determined contribution	$ 2,385	$ 2,781	$ 3,927	$ 5,096	$ 5,496
Contributions deficiency (excess)	$ 867	$ 505	$ 654	$ (181)	$ (107)
Covered payroll	$ 2,168,175	$ 2,527,893	$ 3,272,097	$ 4,095,842	$ 4,899,250
Contributions as a percentage of covered-employee payroll	0.15%	0.13%	0.14%	0.12%	0.11%

	FISCAL YEAR		
	2020	2021	2022
Actuarially determined contribution	$ 6,950	$ 7,452	$ 9,721
Contributions in relation to the actuarially determined contribution	$ 6,817	$ 7,450	$ 9,721
Contributions deficiency (excess)	$ 133	$ 2	$ -
Covered payroll	$ 5,791,275	$ 6,209,727	$ 8,101,171
Contributions as a percentage of covered-employee payroll	0.12%	0.12%	0.12%

Note: The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.
Only one year of data is presented in accordance with GASB 75.
GASB 75, paragraph 57 requires that the data in this schedule be presented as of the City's fiscal year as opposed to the time period covered by the measurement date.

Summary of Actuarial Assumptions:

Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Discount rate *	1.84%
Retirees' share of benefit-related costs	$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68
Mortality rates - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

* The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2021.

CITY OF PRINCETON, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM
LAST FIVE FISCAL YEARS (UNAUDITED)

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY

	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Total OPEB liability					
Changes for the year					
Service cost	$ 22,712	$ 18,331	$ 11,320	$ 10,280	$ 7,269
Interest on Total OPEB Liability	3,354	3,377	3,340	2,987	2,731
Changes of benefit terms including TMRS plan participation	-	-	-	-	-
Difference between expected and actual experience	(8,947)	(1)	(5,458)	(6,732)	-
Changes in assumptions or other inputs	5,818	22,310	20,621	(6,592)	7,271
Benefit payments **	(1,947)	(611)	(515)	(857)	(692)
Net Change in Total Pension Liability	20,990	43,406	29,308	(914)	16,579
Total Pension Liability - Beginning	157,331	113,925	84,617	85,531	68,952
Total Pension Liability - Ending (a)	$ 178,321	$ 157,331	$ 113,925	$ 84,617	$ 85,531
Covered Payroll	$ 6,489,282	$ 6,110,492	$ 5,145,390	$ 4,283,289	$ 3,461,260
Total OPEB Liability as a Percentage of Covered Employee Payroll	2.75%	2.57%	2.21%	1.98%	2.47%

** Due to SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Note: The schedule is required to show information for 10 years. Additional years will be displayed as they become available.

PRINCETON

TEXAS

FIDUCIARY FUNDS

Arcadia Farms PID - accounts for the 434-acres development through funding derived from PID bonds that are held in trust.

Brookside PID - accounts for the 146-acres development through funding derived from PID bonds that are held in trust.

Crossroads PID - accounts for the 297-acres development through funding derived from PID bonds that are held in trust.

Eastridge PID - accounts for the 568-acres development through funding derived from PID bonds that are held in trust.

Whitewing Wing Trails #2 PID - accounts for the 853-acres development through funding derived from PID bonds that are held in trust.

Winchester PID #1 - accounts for the 178-acres development through funding derived from PID bonds that are held in trust.

CITY OF PRINCETON, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
COMBINING STATEMENT OF NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2022

	Arcadia Farms	Brookside	Crossroads	Eastridge	Whitewing Trails #2	Winchester PID 1	Winchester PID 2	TOTAL
ASSETS								
Cash and cash equivalents	$ 1,338,819	$ 643,295	$ 1,919,156	$ 10,333,508	$ 1,598,532	$ 793,618	$ 957,756	$ 17,584,684
Special assessment receivable	13,039,000	6,595,000	7,960,043	11,209,000	15,910,000	9,618,000	13,430,000	77,761,043
Total assets	14,377,819	7,238,295	9,879,199	21,542,508	17,508,532	10,411,618	14,387,756	95,345,727
LIABILITIES								
Long-term debt	13,039,000	6,595,000	7,960,000	11,209,000	15,910,000	9,618,000	13,434,000	77,765,000
Total liabilities	13,039,000	6,595,000	7,960,000	11,209,000	15,910,000	9,618,000	13,434,000	77,765,000
NET POSITION								
Restricted for public improvement districts	1,338,819	643,295	1,919,199	10,333,508	1,598,532	793,618	953,756	17,580,727
Total net position	$ 1,338,819	$ 643,295	$ 1,919,199	$ 10,333,508	$ 1,598,532	$ 793,618	$ 953,756	$ 17,580,727

STATEMENT OF FIDUCIARY NET POSITION
COMBINING STATEMENT OF NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2022

	Arcadia Farms	Brookside	Crossroads	Eastridge	Whitewing Trails #2	Winchester PID 1	Winchester PID 2	Total
ADDITIONS								
Property assessments	$ 679,058	$ 525,368	$ 758,921	$ -	$ 581,494	$ 726,870	$ -	$ 3,271,711
Assessments prepaid	28,577	-	484,246		-	23,564	-	536,387
Bond proceeds	4,602,650	-	-	10,872,730	-	4,725,000	13,030,980	33,231,360
Bond premium	-	-	-		-	300,050	-	300,050
Investment earnings	12,039	5,974	15,598	24,024	12,895	7,050	9,331	86,911
Total additions	5,322,324	531,342	1,258,765	10,896,754	594,389	5,782,534	13,040,311	37,426,419
DEDUCTIONS								
Payment to developer	3,990,000	-	683,805		-	4,425,000	11,460,000	20,558,805
Bond issuance costs	264,966	-	-	563,246	-	12,796	619,055	1,460,063
Administrative expenses	45,203	23,720	9,118		15,600	304,296	7,500	405,437
Debt Service	554,442	452,840	1,230,782	-	962,087	601,856	-	3,802,007
Total deductions	4,854,611	476,560	1,923,705	563,246	977,687	5,343,948	12,086,555	26,226,312
Change in Net Position	467,713	54,782	(664,940)	10,333,508	(383,298)	438,586	953,756	11,200,107
Net Position - beginning	871,106	588,513	2,584,139	-	1,981,830	355,032	-	6,380,620
Net Position - ending	1,338,819	643,295	1,919,199	10,333,508	1,598,532	793,618	953,756	17,580,727

PRINCETON

TEXAS

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Municipal Court Fund -
This fund accounts for building security fund monies received from conviction of misdemeanor fees to be used to provide for the security and housing of municipal courts; municipal court technology state fees collected with each citation that has resulted from a conviction; and child safety fees collected from $1 for each registered vehicle to fund the school crossing guard program and other child safety related programs.

Law Enforcement Fund -
This fund accounts for seizure and dispostion of assets confiscated by local law enforcement agencies and state allocations received for Law Enforcement Officer Standards and Education (LEOSE) monies received to provide continuing education and training.

CITY OF PRINCETON, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2022

	Municipal Court	Police	Total
ASSETS			
Cash and cash equivalents	$ -	$ 29,445	$ 29,445
Restricted assets:			
Cash and cash equivalents	167,588	12,377	179,965
Total Assets	167,588	41,822	209,410
LIABILITIES			
Accounts payable	-	12,376	12,376
Total Liabilities	-	12,376	12,376
Fund Balances			
Restricted for:			
Court use - building security	37,894	-	37,894
Court use - technology	65,121	-	65,121
Court use - child safety	64,573	-	64,573
Public safety	-	12,377	12,377
Committed to:			
Public safety	-	17,069	17,069
Total Fund Balance	167,588	29,446	197,034
Total Liabilities and fund balance	$ 167,588	$ 41,822	$ 209,410

CITY OF PRINCETON, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Municipal Court	Police	Total
REVENUE			
Charge for services	$ 30,400	$ -	$ 30,400
Intergovernmental revenue	-	1,668	1,668
Miscellaneous	-	30,934	30,934
Total revenues	30,400	32,602	63,002
EXPENDITURES			
Public safety	-	-	-
Public services and operations	10,369	-	10,369
Total expenditures	10,369	-	10,369
Excess (deficienty) of revenues over (under) expenditures	20,031	32,602	52,633
OTHER FINANCING SOURCES (USES)			
Transfers	-	1,618	1,618
Total other financing sources (uses)	-	1,618	1,618
Net change in fund balances	20,031	34,220	54,251
Fund balances, beginning	147,557	50,714	198,271
Prior period adjustments	-	(55,488)	(55,488)
Fund balances, ending	$ 167,588	$ 29,446	$ 197,034

PRINCETON

TEXAS

CITY OF PRINCETON, TEXAS
BUDGETARY COMPARISON SCHEDULE - DEBT SERVICE FUND
SEPTEMBER 30, 2022

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUE				
Taxes:				
Property	$ 3,326,000	$ 3,326,000	$ 3,735,194	$ 409,194
Intergovernmental revenues	610,753	610,753	610,753	-
Miscellaneous	-	-	13,715	13,715
Total Revenues	3,936,753	3,936,753	4,359,662	422,909
EXPENDITURES				
General Government	3,550	3,550	2,292	1,258
Debt service:				
Principal retirement	2,630,000	2,865,000	2,865,000	-
Issuance costs	-	350,298	227,956	122,342
Interest	1,436,496	1,436,496	1,427,631	8,865
Total Expenditures	4,070,046	4,655,344	4,522,879	132,465
Excess (deficiency) of revenues over (under) expenditures	(133,293)	(718,591)	(163,217)	555,374
Other Financing Sources (Uses)				
Transfers	110,324	(378,297)	(378,295)	2
Refunding of bonds	-	-	(2,709,510)	(2,709,510)
Bond Proceeds	-	2,473,600	2,473,600	-
Premium/discount on issuance of debt	-	931,737	809,395	(122,342)
Total Other Financing Sources (uses)	110,324	3,027,040	195,190	(2,831,850)
Net Change in Fund Balances	(22,969)	2,308,449	31,973	(2,276,476)
Fund Balance, October 1	1,608,887	1,608,887	1,608,887	
Fund Balance, September 30	$ 1,585,918	$ 3,917,336	$ 1,640,860	

PRINCETON

TEXAS

DISCRETELY PRESENTED COMPONENT UNITS

CITY OF PRINCETON, TEXAS
BALANCE SHEET
ECONOMIC DEVELOPMENT CORPORATION
SEPTEMBER 30, 2022

	EDC Operating Fund
ASSETS	
Cash and cash equivalents	$ 4,166,000
Receivables	254,719
Total Assets	4,420,719
LIABILITIES	
Accounts payable	34,958
Retainage payable	64,051
Total Liabilities	99,009
FUND BALANCES	
Committed:	
Projects	136,678
Community events	17,000
Debt service	75,000
Unassigned	4,093,032
Total Fund Balances	4,321,710
Total Liabilities and Fund Balances	$ 4,420,719

CITY OF PRINCETON, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
ECONOMIC DEVELOPMENT CORPORATION
SEPTEMBER 30, 2022

Total fund balances - governmental funds balance sheet	$ 4,321,710
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, not reported in the funds:	
Governmental capital assets	3,267,829
Less: accumulated depreciation	(66,622)
Long-term liabilities that pertain to governmental funds are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position. Included with amounts related to net pension liability are deferred outflows of resources and deferred inflows of resources that are attributable to the multiple-employer pension plan. Balances at year-end are:	
Long-term payable - City	(853,210)
Net assets of governmental activities - statement of net position	$ 6,669,707

CITY OF PRINCETON, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
ECONOMIC DEVELOPMENT CORPORATION
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	EDC Operating Fund
REVENUE	
Sales taxes	$ 1,408,694
Investment income	26,684
Total Revenues	1,435,378
EXPENDITURES	
Current:	
Contract services	117,396
Projects costs	136,678
Promotional and advertising	42,309
Supplies and maintenance	883
Office expenses and supplies	129,627
Capital outlay	2,043,668
Debt service:	
Long-term payable retirement	50,164
Interest	24,836
Total Expenditures	2,545,561
Excess (deficiency) of revenues over (under) expenditures	(1,110,183)
OTHER FINANCING SOURCES (USES)	
Sale of land	1,392,560
Total other financing sources (uses)	1,392,560
Net change in fund balance	282,377
Fund Balance, October 1	4,039,333
Fund Balance, September 30	$ 4,321,710

CITY OF PRINCETON, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
ECONOMIC DEVELOPMENT CORPORATION
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Net change in fund balance - statement of revenues, expenditures and changes in fund balance - governmental funds	$ 282,377
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense. This is the amount of capital outlay during the current period. increase net assets.	2,043,668
Depreciation on capital assets is reported in the statement of activities but does not require the use of current financial resources. Therefore, depreciation is not reported as in the governmental funds.	(14,338)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.	
Long-term payable payment	50,164
Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in fund financial statements.	(81,744)
Change in net position - statement of activities	$ 2,280,127

CITY OF PRINCETON, TEXAS
BALANCE SHEET
COMMUNITY DEVELOPMENT CORPORATION
SEPTEMBER 30, 2022

	CDC Operating Fund
ASSETS	
Cash and cash equivalents	$ 1,701,942
Receivables	254,719
Total Assets	1,956,661
Liabilities	
Accounts payable	61,198
Retainage payable	4,166
Total Liabilities	65,364
Fund Balances	
Committed:	
Community events	25,000
Projects	275,747
Debt	400,720
Unassigned	1,189,830
Total Fund Balances	1,891,297
Total Liabilities and Fund Balances	$ 1,956,661

CITY OF PRINCETON, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
COMMUNITY DEVELOPMENT CORPORATION
SEPTEMBER 30, 2022

Total fund balances - governmental funds balance sheet	$ 1,891,297
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, not reported in the funds:	
Governmental capital assets	1,463,144
Less: accumulated depreciation	(34,966)
Long-term liabilities that pertain to governmental funds are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position. Included with amounts related to net pension liability are deferred outflows of resources and deferred inflows of resources that are attributable to the multiple-employer pension plan. Balances at year-end are:	
Long-term payable-City	(5,975,040)
Net assets of governmental activities - statement of net position	$(2,655,565)

CITY OF PRINCETON, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
COMMUNITY DEVELOPMENT CORPORATION
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	CDC Operating Fund
REVENUE	
Sales taxes	$ 1,408,694
Investment income	9,598
Total Revenues	1,418,292
EXPENDITURES	
Current:	
Contract services	10,453
Promotional and advertising	19,400
Supplies & maintenance	41,358
Project costs	5,570,747
Contract services	122,887
Capital outlay	99,358
Debt service:	
Long-term payable retirement	400,720
Interest	135,033
Total Expenditures	6,399,956
Excess (deficiency) of revenues over (under	(4,981,664)
OTHER FINANCING SOURCES (USES)	
Tax note proceeds	5,295,000
Total other financing sources (uses)	5,295,000
Net change in fund balance	313,336
Fund Balance, October 1	1,577,961
Fund Balance, September 30	$ 1,891,297

CITY OF PRINCETON, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
COMMUNITY DEVELOPMENT CORPORATION
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Net change in fund balance - statement of revenues, expenditures and changes in fund balance - governmental funds	$ 313,336
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense. This is the amount of capital outlay during the current period.	99,358
Depreciation on capital assets is reported in the statement of activities but does not require the use of current financial resources. Therefore, depreciation is not reported as expenditures in the governmental funds.	(3,464)
The issuance of long-term debt provides current financial resources to governmental while the repayment of principal of long-term debt consumes the current financial of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and discounts and similar items when debt is issued, whereas the amounts are deferred and amortized in the statement of This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Issuance of debt - 2021 CO	(5,295,000)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.	
Long-term payable payment	400,720
Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds. This is the net change in these revenues for the year.	112,491
Change in net position - statement of activities	$ (4,372,559)

CITY OF PRINCETON, TEXAS
BUDGETARY COMPARISON SCHEDULE - ECONOMIC DEVELOPMENT CORPORATION
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUE				
Sales Taxes	$ 850,000	$ 860,344	$ 1,408,694	$ 548,350
Investment Income	1,500	1,500	26,684	25,184
Total Revenues	851,500	861,844	1,435,378	573,534
EXPENDITURES				
Current:				
Economic Development	519,597	850,735	426,893	423,842
Capital Outlays	-	2,094,984	2,043,668	51,316
Debt Service:				
Long-term Payable Retirement	75,000	75,000	50,164	24,836
Interest	-	-	24,836	(24,836)
Total Expenditures	594,597	3,020,719	2,545,561	475,158
Excess (deficiency) of revenues over/(under) expenditures	256,903	(2,158,875)	(1,110,183)	1,048,692
OTHER FINANCING SOURCES (USES)				
Sale of land	-	-	1,392,560	1,392,560
Total other financing sources (uses)	-	-	1,392,560	1,392,560
Net Change in Fund Balance	256,903	(2,158,875)	282,377	2,441,252
Fund Balance, October 1	4,039,333	4,039,333	4,039,333	
Fund Balance, September 30	$ 4,296,236	$ 1,880,458	$ 4,321,710	

CITY OF PRINCETON, TEXAS
BUDGETARY COMPARISON SCHEDULE - COMMUNITY DEVELOPMENT CORPORATION
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUE				
Sales Taxes	$ 850,000	$ 856,390	$ 1,408,694	$ 552,304
Investment Income	1,500	1,500	9,598	8,098
Total Revenues	851,500	857,890	1,418,292	560,402
EXPENDITURES				
Current:				
Community Development	278,792	7,018,646	5,764,845	1,253,801
Capital Outlays	50,000	202,021	99,358	102,663
Debt Service:				
Long-term Payable Retirement	400,720	400,720	400,720	-
Interest	-	-	135,033	(135,033)
Total Expenditures	729,512	7,621,387	6,399,956	1,221,431
Net Change in Fund Balance	121,988	(167,686)	313,336	481,022
Fund Balance, October 1	1,577,961	1,577,961	1,577,961	
Fund Balance, September 30	$ 1,699,949	$ 1,410,275	$ 1,891,297	

STATISTICAL SECTION

PRINCETON

TEXAS

STATISTICAL SECTION
(unaudited)

This part of the City of Princeton's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures and required supplementary information says about the City's overall financial health. This information has not been audited by the independent auditor.

Contents Page

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. 103

Revenue Capacity

These schedules contain information to help the reader assess the City's ability to generate its property and sales taxes. 112

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. 116

Economic and Demographic Information

These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments. 121

Operating Information

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs. 123

CITY OF PRINCETON, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(unaudited)

Table 1

	FISCAL YEAR				
	2013	**2014**	**2015**	**2016**	**2017**
Governmental activities					
Net investment in capital assets	$ 6,626,161	$ 6,640,339	$ 7,305,692	$ 8,075,220	$ 16,457,417
Restricted	642,768	2,990,401	3,152,746	4,140,512	2,539,370
Unrestricted	2,317,036	483,094	1,357,720	1,710,252	2,075,253
Total governmental activities net position	9,585,965	10,113,834	11,816,158	13,925,984	21,072,040
Business-type activities					
Net investment in capital assets	3,460,166	4,876,332	5,104,136	6,631,526	11,785,446
Restricted	766,049	808,064	994,498	1,851,788	3,153,343
Unrestricted	1,192,221	1,839,812	2,197,241	2,278,245	2,695,126
Total business-type activities net position	5,418,436	7,524,208	8,295,875	10,761,559	17,633,915
Primary government					
Net investment in capital assets	10,086,327	11,516,671	12,409,828	14,706,746	28,242,863
Restricted	1,408,817	3,798,465	4,147,244	5,992,300	5,692,713
Unrestricted	3,509,257	2,322,906	3,554,961	3,988,497	4,770,379
Total primary government net position	$ 15,004,401	$ 17,638,042	$ 20,112,033	$ 24,687,543	$ 38,705,955

	FISCAL YEAR				
	2018	**2019**	**2020**	**2021**	**2022**
Governmental activities					
Net investment in capital assets	$ 22,926,273	$ 12,622,746	$ 43,200,083	$ 48,846,320	$ 70,732,982
Restricted	7,211,360	13,237,763	39,388,505	14,912,387	17,200,800
Unrestricted	2,666,324	16,417,920	(16,835,067)	16,879,326	24,797,844
Total governmental activities net position	32,803,957	42,278,429	65,753,521	80,638,033	112,731,626
Business-type activities					
Net investment in capital assets	20,496,075	24,609,087	38,369,840	47,192,152	66,619,856
Restricted	3,465,755	5,523,425	7,215,702	10,032,440	10,284,268
Unrestricted	4,435,377	5,410,600	6,906,498	10,428,790	17,834,770
Total business-type activities net position	28,397,207	35,543,112	52,492,040	67,653,382	94,738,894
Primary government					
Net investment in capital assets	43,422,348	37,231,833	81,569,923	96,038,472	137,352,838
Restricted	10,677,115	18,761,188	46,604,207	24,944,827	27,485,068
Unrestricted	7,101,701	21,828,520	(9,928,569)	27,308,116	42,632,614
Total primary government net position	$ 61,201,164	$ 77,821,541	$ 118,245,561	$ 148,291,415	$ 207,470,520

CITY OF PRINCETON, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(unaudited)

	FISCAL YEAR			
	2013	**2014**	**2015**	**2016**
EXPENSES				
Governmental activities:				
General government	$ 704,619	$ 728,324	$ 666,193	$ 789,760
Public safety	1,380,786	1,244,648	1,335,532	1,562,609
Public services and operations	294,647	497,095	697,081	893,941
Parks and recreation	307,933	245,950	493,077	552,517
Library	-	-	102,133	129,687
Public works	603,570	1,113,223	1,232,485	1,381,286
Interest on long-term debt	262,039	215,011	311,418	390,417
Total government activities expenses	3,553,594	4,044,251	4,837,919	5,700,217
Business-type activities:				
Water and sewer	4,318,861	4,449,142	4,676,918	6,062,226
Storm water drainage	-	-	-	-
Total business-type activities expenses	4,318,861	4,449,142	4,676,918	6,062,226
Total primary government expenses	7,872,455	8,493,393	9,514,837	11,762,443
PROGRAM REVENUES				
Governmental activities:				
Charge for services:				
General government	-	-	115,000	115,000
Public safety	271,837	353,545	294,989	348,441
Public services and operations	-	-	-	130,204
Parks and recreation	17,972	83,217	45,086	-
Library				-
Public works	291,606	724,455	763,325	1,292,208
Operating grants and contributions	1,015,344	148,283	20,258	8,129
Capital grants and contributions	849,804	266,308	2,112,676	1,908,221
Total governmental activities program revenues	2,446,563	1,575,808	3,351,334	3,802,203
Business-type activities:				
Charge for services:				
Water and sewer	4,382,048	4,812,038	5,214,972	6,754,857
Storm water drainage	-	-	-	-
Operating grants and contributions	-	-	-	-
Capital grants and contributions	74,680	-	118,855	1,439,081
Total business-type activities program revenues	4,456,728	4,812,038	5,333,827	8,193,938
Total primary government program revenues	6,903,291	6,387,846	8,685,161	11,996,141
NET (EXPENSE)/REVENUE				
Governmental activities	(1,107,031)	(2,468,443)	(1,486,585)	(1,898,014)
Business-type activities	137,867	362,896	656,909	2,131,712
Total primary government program revenues				
Net Expenses	(969,164)	(2,105,547)	(829,676)	233,698

FISCAL YEAR					
2017	2018	2019	2020	2021	2022
$ 861,576	$ 1,009,624	$ 2,332,105	$ 1,236,657	$ 1,821,210	$ 2,852,012
3,050,330	4,014,770	4,559,343	5,341,659	6,136,367	7,016,634
886,973	1,353,362	1,217,468	1,326,917	1,677,660	2,132,971
527,723	706,987	1,000,471	1,056,310	1,281,216	1,378,074
151,936	169,895	251,596	229,122	267,697	263,117
1,642,760	1,743,261	2,672,048	3,335,833	5,735,515	5,426,108
544,788	623,667	538,930	782,724	1,351,592	1,433,349
7,666,086	9,621,566	12,571,961	13,309,222	18,271,257	20,502,265
6,183,258	7,343,569	9,011,378	9,857,833	13,070,655	17,555,001
232,136	513,498	413,028	525,693	1,237,933	1,424,626
6,415,394	7,857,067	9,424,406	10,383,526	14,308,588	18,979,627
14,081,480	17,478,633	21,996,367	23,692,748	32,579,845	39,481,892
265,178	265,191	576,821	598,040	610,304	709,523
25,690	36,740	39,734	72,345	140,950	75,886
2,324,727	2,842,392	2,626,781	4,151,327	5,224,478	6,404,024
146,968	566,573	1,744,437	1,339,530	1,996,581	1,402,869
6,913	7,379	7,186	3,211	2,378	5,964
1,430,930	1,989,613	1,797,946	3,249,487	3,317,416	2,486,704
422,920	478,064	495,349	1,137,172	1,170,004	2,269,245
5,385,169	9,084,326	6,177,007	16,061,420	9,315,702	25,820,010
10,008,495	15,270,278	13,465,261	26,612,532	21,777,813	39,174,225
9,563,489	12,320,362	11,629,555	14,357,412	17,789,699	23,947,867
319,409	359,638	408,288	527,314	614,839	751,098
-	-	800	1,724	184,293	-
4,449,124	5,517,586	4,558,040	12,530,784	10,440,466	19,890,661
14,332,022	18,197,586	16,596,683	27,417,234	29,029,297	44,589,626
24,340,517	33,467,864	30,061,944	54,029,766	50,807,110	83,763,851
2,342,409	5,648,712	893,300	13,303,310	3,506,556	18,671,960
7,916,628	10,340,519	7,172,277	17,033,708	14,720,709	25,609,999
10,259,037	15,989,231	8,065,577	30,337,018	18,227,265	44,281,959

(continued)

CITY OF PRINCETON, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(unaudited)

	FISCAL YEAR			
	2013	**2014**	**2015**	**2016**
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental activities:				
Taxes:				
Property	$ 2,131,994	$ 2,228,700	$ 2,483,190	$ 2,859,709
Sales	501,970	572,515	626,981	918,489
Franchise	189,738	216,724	198,430	190,838
Beverage	3,190	1,861	-	-
Investment income	11,114	6,702	3,938	15,937
Miscellaneous	47,026	54,360	59,820	55,358
Transfers	(32,841)	(84,550)	(132,418)	(32,491)
Total government activities	2,852,191	2,996,312	3,239,941	4,007,840
Business-type activities:				
Investment income	332	4,167	6,005	10,929
Miscellaneous	1,931	3,856	3,148	10,463
Intergovernmental revenue	-	-	-	231,150
Transfers	32,841	84,550	132,418	32,491
Total business-type activities	35,104	92,573	141,571	285,033
Total primary government	2,887,295	3,088,885	3,381,512	4,292,873
CHANGE IN NET POSITION				
Governmental activities	1,745,160	527,869	1,753,356	2,109,826
Business-type activities	172,971	455,469	798,480	2,416,745
Total primary government	1,918,131	983,338	2,551,836	4,526,571

Table 2
(continued)

FISCAL YEAR					
2017	**2018**	**2019**	**2020**	**2021**	**2022**
$ 3,539,491	$ 4,581,813	$ 6,053,199	$ 7,472,581	$ 8,789,551	$ 10,014,435
1,267,448	1,327,813	1,540,373	1,928,514	2,473,784	2,817,389
262,549	338,887	401,613	417,291	434,131	590,858
2,984	5,698	4,466	2,613	3,749	4,133
76,593	112,237	248,494	128,794	27,098	336,203
5,270	28,387	23,171	68,405	14,713	23,917
(33,491)	(317,115)	254,021	187,106	(365,070)	(226,906)
5,120,844	6,077,720	8,525,337	10,205,304	11,377,956	13,560,029
24,525	80,657	165,375	103,372	8,630	180,342
32,888	41,261	62,274	1,312	66,933	57,925
-	-	-	-	-	-
33,491	317,115	(254,021)	(187,106)	365,070	226,906
90,904	439,033	(26,372)	(82,422)	440,633	465,173
5,211,748	6,516,753	8,498,965	10,122,882	11,818,589	14,025,202
7,463,253	11,726,432	9,418,637	23,508,614	14,884,512	32,231,989
8,007,532	10,779,552	7,145,905	16,951,286	15,161,342	26,075,172
15,470,785	22,505,984	16,564,542	40,459,900	30,045,854	58,307,161

CITY OF PRINCETON, TEXAS **Table 3**
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(unaudited)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Alcoholic Beverage Tax	Total
2013	$ 2,131,994	$ 501,970	$ 189,738	$ 3,190	$ 2,826,892
2014	2,228,700	572,515	216,724	1,861	3,019,800
2015	2,483,190	626,981	313,430	2,614	3,426,215
2016	2,859,709	918,489	305,838	2,796	4,086,832
2017	3,539,491	1,267,448	262,549	2,984	5,072,472
2018	4,581,813	1,327,813	338,887	5,698	6,254,211
2019	6,053,199	1,540,373	401,613	4,466	7,999,651
2020	7,472,581	1,928,514	417,291	2,613	9,820,999
2021	8,789,551	2,473,784	434,131	3,749	11,701,215
2022	10,014,435	2,817,389	602,533	4,133	13,438,490

CITY OF PRINCETON, TEXAS **Table 4**
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(unaudited)

	FISCAL YEAR				
	2013	2014	2015	2016	2017
General Fund					
Restricted for:					
Court use	$ 13,472	$ 82,263	$ 96,279	$ 78,136	$ 80,953
Capital improvements	-	69,761	-	-	-
PEG capital	16,915	23,965	31,804	39,576	41,862
Committed for:					
Public safety	104,114	102,263	66,009	68,584	15,659
Public works	-	-	-	-	20,000
Development	-	-	-	-	295,537
Assigned for:					
General government		2,362	2,362	2,362	-
Public safety	-	-	-	-	66,998
Unassigned	8,211	517,024	733,619	1,530,097	1,497,135
Total General Fund	142,712	797,638	930,073	1,718,755	2,018,144
All Other Governmental Funds					
Restricted for:					
Debt service	436,983	431,132	388,020	917,661	2,346,400
Capital improvements	2,641,610	2,452,981	2,636,643	3,105,139	7,551,911
Committed for:					
Public safety	-	-	-	-	4,500
Parks	239,739	-	48,019	239,741	190,718
	$ 3,318,332	$ 2,884,113	$ 3,072,682	$ 4,262,541	$ 10,093,529

	FISCAL YEAR				
	2018	2019	2020	2021	2022
General Fund					
Nonspendable					
Prepaid	$ 21,133	$ 33,282	$ 142,631	$ 126,059	$ 107,555
Inventory	12,116	15,855	19,584	42,659	66,898
Restricted for:					
General government	-	-	659,226	1,721,377	-
Court use	103,720	127,968	140,802	147,555	-
Public Safety	3,681	4,807	4,824	50,713	-
PEG capital	41,862	46,391	51,210	56,161	79,596
Committed for:					
Parks and recreation	-	2,000	4,000	4,000	27,365
Public Safety	14,000	22,806	21,637	21,637	24,937
Public works	-	19,600	23,545	23,545	27,545
Development	10,500	12,500	14,500	14,500	16,500
Assigned for:					
Public safety	23,570	-	-	-	27,544
Public works	7,453	-	-	-	-
Unassigned	1,857,401	1,930,490	3,467,630	6,887,862	5,037,513
Total General Fund	2,095,436	2,215,699	4,549,589	9,096,068	5,415,453
All Other Governmental Funds					
Restricted for:					
Debt service	2,336,466	896,726	1,394,096	1,608,887	1,640,860
Capital improvements	4,109,911	9,768,641	37,138,347	21,724,162	26,812,436
Court Use	-	-	-	-	167,588
Public safety	-	-	-	-	29,445
Committed for:					
Parks	190,718	558,571	872,815	1,267,835	10,574,914
Assigned for:					
Public safety	4,500	984,621	965,634	-	-
Parks	424,183	854,845	1,189,878	1,672,802	-
	$ 6,637,095	$ 11,223,938	$ 41,560,770	$ 26,273,686	$ 39,225,243

CITY OF PRINCETON, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(unaudited)

	FISCAL YEAR			
	2013	**2014**	**2015**	**2016**
REVENUES				
Property taxes	$ 2,148,647	$ 2,229,646	$ 2,496,373	$ 2,868,605
Non-property taxes	694,898	791,100	828,025	1,112,122
License and permits	291,606	724,455	763,325	1,292,208
Fines/Court	223,980	325,175	266,473	313,762
Charges for services	91,097	83,217	160,086	245,204
Impact fees	-	-	-	-
Grants and contributions	85,994	11,525	20,258	8,129
Developer fees	-	-	-	-
Donations	17,680	17,010	14,448	16,177
Investment income	11,114	6,702	3,938	15,938
Intergovernmental	768,746	217,809	1,212,846	1,177,809
Miscellaneous	40,186	29,947	42,759	36,385
Total Revenues	4,373,948	4,436,586	5,808,531	7,086,339
EXPENDITURES				
General government	609,017	725,630	571,945	684,955
Public safety	1,151,292	1,293,428	1,445,434	1,630,932
Public works	429,004	460,504	700,550	748,702
Public services and operations	291,680	276,377	476,654	636,406
Parks and recreation	109,854	95,038	403,473	460,734
Library	133,852	95,733	103,605	117,758
Capital outlay	1,696,947	494,965	2,205,877	3,917,850
Debt Service:				
Principal	566,061	478,089	550,866	649,425
Interest and other charges	258,593	211,565	307,171	388,396
Issuance cost and bond refunding	28,143	-	68,397	84,689
Total Expenditures	5,274,443	4,131,329	6,833,972	9,319,847
OTHER FINANCING SOURCES (USES)				
Note/Bond proceeds	1,549,861	-	1,360,000	3,245,000
Payments to bond refunding escrow agent	-	-	-	-
Net cost of issuance premium/(discount)	-	-	89,052	202,141
Sales of assets	-	-	-	-
Right-to-use lease proceeds	-	-	-	-
Capital lease proceeds	-	-	29,809	182,652
Transfers	(32,841)	(84,550)	(132,418)	(32,491)
Total Other financing Sources (Uses)	1,517,020	(84,550)	1,346,443	3,597,302
NET CHANGE IN FUND BALANCES	$ 616,525	$ 220,707	$ 321,002	$ 1,363,794
Debt Service as a percentage of noncapital expenditures	30.27%	23.40%	23.18%	24.25%

Table 5

FISCAL YEAR					
2017	**2018**	**2019**	**2020**	**2021**	**2022**
$ 3,539,491	$ 4,596,307	$ 6,016,963	$ 7,491,961	$ 8,704,457	$ 9,984,189
1,532,981	1,672,398	1,946,452	2,348,418	2,911,664	3,424,055
1,139,145	1,324,778	1,197,053	2,052,232	3,125,155	2,811,222
318,666	383,154	249,793	196,658	316,669	295,633
1,306,096	1,962,606	2,570,913	3,370,083	4,077,344	4,329,628
1,430,930	1,913,383	1,797,946	3,249,487	3,317,416	2,486,704
343,855	-	-	7,344,313	-	-
-	-	959,705	488,366	388,800	6,024,380
20,466	26,527	180,506	8,556	539,590	491,255
76,593	112,237	248,494	128,794	27,098	336,201
1,568,006	1,836,090	1,139,930	1,630,205	3,084,576	6,892,790
19,260	59,090	37,774	229,374	88,776	68,600
11,295,489	13,886,570	16,345,529	28,538,447	26,581,545	37,144,657
850,758	994,127	2,291,888	1,046,207	1,753,855	2,352,165
2,897,383	3,760,715	4,144,134	4,852,909	5,688,838	6,613,336
755,542	661,496	903,096	1,067,638	1,764,900	1,172,149
872,474	1,329,191	1,171,038	1,266,617	1,643,383	2,158,191
443,937	604,104	766,783	725,838	893,907	988,122
141,514	159,990	216,026	194,545	236,382	236,204
6,122,703	8,902,747	4,515,865	5,684,055	21,938,532	26,338,802
771,122	1,133,551	2,178,435	2,684,837	2,372,815	4,019,264
531,818	562,245	548,043	137,774	1,502,605	1,485,207
68,700	-	63,840	679,547	-	227,956
13,455,951	18,108,166	16,799,148	18,339,967	37,795,217	45,591,396
8,465,000	-	7,790,000	17,365,000	-	19,348,600
-	-	-	-	-	(2,709,510)
26,200	-	-	2,772,774	-	809,395
6,000	76,230	7,154	-	1,300	155,306
-	-	-	-	-	332,566
110,814	1,489,406	216,890	268,047	836,837	-
22	(317,115)	254,021	187,106	(365,070)	(226,906)
8,608,036	1,248,521	8,268,065	20,592,927	473,067	17,709,451
$ 6,447,574	$ (2,973,075)	$ 7,814,446	$ 30,791,407	$ (10,740,605)	$ 9,262,712
21.86%	22.58%	28.72%	30.84%	32.35%	40.71%

CITY OF PRINCETON, TEXAS **Table 6**
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(unaudited)

Fiscal Year Ended Sept. 30	Real Property		Personal Property	Less: Tax Exempt	Total Taxable Assessed	Total Direct	Estimated Gross Taxable	Assessed Value as a Percentage of
	Residential Property	Commercial Property	Other	Real Property	Value	Tax Rate	Value	Actual Value
2013	$ 293,259,335	$ 44,359,953	$ 2,233,729	$ (62,018,127)	$ 277,834,890	$ 0.728394	$ 337,853,017	82.24%
2014	313,596,419	49,171,779	2,510,382	(63,673,035)	301,605,545	0.728394	365,278,580	82.57%
2015	364,887,976	52,483,026	2,471,089	(75,771,626)	344,070,465	0.738999	419,842,091	81.95%
2016	431,633,366	56,757,007	2,701,269	(106,120,967)	384,970,675	0.738999	491,091,642	78.39%
2017	500,547,077	67,989,329	2,949,716	(108,947,539)	462,538,583	0.721800	571,486,122	80.94%
2018	699,455,122	100,020,051	3,260,865	(184,613,386)	618,122,652	0.691890	802,736,038	77.00%
2019	905,418,021	127,502,195	3,334,546	(193,534,385)	842,720,377	0.688820	1,036,254,762	81.32%
2020	949,006,116	268,918,014	3,227,268	(182,037,684)	1,039,113,714	0.676299	1,221,151,398	85.09%
2021	1,337,770,818	138,705,495	78,208,578	(228,298,217)	1,326,386,674	0.651215	1,554,684,891	85.32%
2022	1,634,403,890	153,950,046	102,757,841	(253,916,574)	1,637,195,203	0.602549	1,891,111,777	86.57%

Source: Collin County Appraisal District

Note Property is reassessed annually. Property is assessed at actual value; therefore, the assessed values are equal to the actual value.
Tax ratesa re per $100 of assessed value.

CITY OF PRINCETON, TEXAS **Table 7**
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(PER $100 OF ASSESSED VALUE)
(unaudited)

	City Direct Rates			Overlapping Rates*		
Fiscal Year Ended Sept 30	Operating/ General Rate	General Obligation Debt Service	Total Direct	Princeton Independent School District	Collin County	Collin County Community College
2013	$ 0.439990	$ 0.288404	$ 0.728394	$ 1.490000	$ 0.240000	$ 0.086300
2014	0.511969	0.227030	0.738999	1.473600	0.240000	0.083643
2015	0.511969	0.227030	0.738999	1.480000	0.237500	0.081960
2016	0.503901	0.217899	0.721800	1.620000	0.235000	0.081960
2017	0.461505	0.230381	0.691886	1.620000	0.225000	0.081222
2018	0.426465	0.263425	0.689890	1.620000	0.192246	0.079810
2019	0.402494	0.286326	0.688820	1.620000	0.180785	0.081222
2020	0.394077	0.282222	0.676299	1.568350	1.749510	0.081222
2021	0.399118	0.252097	0.651215	1.469800	1.725310	0.081222
2022	0.377315	0.225234	0.602549	1.469800	1.725310	0.081222

CITY OF PRINCETON, TEXAS
PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(unaudited)

Table 8

Taxpayer	Assessed Taxable Value FY2022	Rank	Percentage of Assessed Taxable Value
D R Horton - Texas LTD	$ 48,945,909	1	2.99%
Southgate Apts LLC	29,500,000	2	1.80%
Townhomes at PM Holding LLC	20,209,406	3	1.23%
Wal-Mart Real Estate Bus Trust	16,261,639	4	0.99%
Cope Equities	10,864,540	5	0.66%
Cypress Creek Hazelwood Street LP	9,945,000	6	0.61%
Cypress Creek Hazelwood Street LP	9,549,050	7	0.58%
Texas-New Mexico Power Co	9,251,180	8	0.57%
Gehan Homes, Ltd	9,032,997	9	0.55%
Charley's Concrete Co Inc	8,720,534	10	0.53%
	$ 172,280,255		
Total Assessed Value	$ 1,637,195,203		

	Assessed Taxable Value FY2013	Rank	Percentage of Assessed Taxable Value
Edison Development Co	$ 4,939,132	1	1.78%
D R Horton	3,389,715	2	1.22%
DS Princeton Texas Landlord LLC	2,580,000	3	0.93%
First Bank Farmersville	1,653,587	4	0.59%
JOMC Properties Inc	1,355,939	5	0.49%
Charley's Concrete Co Inc	1,309,281	6	0.47%
CVS Corporation	1,201,433	7	0.43%
Princeton Village LLC	1,148,582	8	0.41%
Wallace Real Estate	1,147,478	9	0.41%
Caldwell Durrie Lee	1,339,877	10	0.48%
	$ 20,065,024		
Total Assessed Value	$ 277,934,890		

CITY OF PRINCETON, TEXAS **Table 9**
PROPERTY TAX LEVIES AND COLLECTIONS
(unaudited)

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to-Date	
		Amount	% of Levy		Amount	% of Levy
2013	$ 2,101,230	$ 2,093,767	99.64%	$ 784	$ 2,094,551	99.68%
2014	2,210,407	2,198,054	99.44%	2,356	2,200,410	99.55%
2015	2,449,973	2,440,330	99.61%	-	2,440,330	99.61%
2016	2,833,887	2,812,844	99.26%	4,569	2,817,413	99.42%
2017	3,605,161	3,539,491	98.18%	4,150	3,543,641	98.29%
2018	4,724,242	4,596,306	97.29%	2,363	4,598,669	97.34%
2019	5,995,210	5,866,980	97.86%	13,450	5,880,430	98.09%
2020	6,491,113	6,398,147	98.57%	90,043	6,488,190	99.95%
2021	8,512,610	8,479,916	99.62%	90,043	8,569,959	100.67%
2022	9,750,181	8,644,522	88.66%	207,145	8,851,667	90.78%

Source: Collin County Appraisal District

CITY OF PRINCETON, TEXAS
RATIO OF OUTDSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(unaudited)

Table 10

	Governmental Activities				Business-type Activities						
Fiscal Year	General Obligation Bonds	Certificates of Obligations	Leases	Limited Tax Note	General Obligation Bonds	Certificates of Obligations	Contractual Obligations	Leases	Total Primary Government	Percentage of Personal Income	Per Capita (1)
2013	$ 1,321,622	$ 4,254,295	$ 284,804	$ 1,285,000	$ 1,490,600	$ 7,550,000	$ 4,540,000	$ 3,516	$ 20,729,837	10.14%	2,061
2014	1,206,200	4,149,963	204,915	1,110,000	1,393,800	7,395,000	4,340,000	-	19,799,878	10.55%	2,178
2015	1,058,200	5,421,659	150,456	935,000	1,286,800	7,230,000	4,135,000	105,990	20,323,105	10.61%	1,781
2016	906,500	8,435,000	260,384	755,000	7,203,500	1,130,000	3,920,000	150,594	22,760,978	10.14%	1,730
2017	762,200	16,801,315	224,377	570,000	7,479,800	950,000	3,700,000	145,972	30,633,664	11.61%	1,818
2018	695,600	16,382,202	1,626,832	-	7,352,610	760,000	18,295,000	596,692	45,708,936	14.00%	4,299
2019	629,000	14,415,000	1,487,508	7,790,000	6,841,000	560,000	17,910,000	472,977	50,105,485	10.74%	3,908
2020	562,400	31,295,000	1,215,306	6,020,000	6,722,600	350,000	17,730,000	345,537	64,240,843	9.98%	5,010
2021	503,200	30,305,000	1,678,528	5,070,000	6,596,800	130,000	17,330,000	271,434	61,884,962	11.94%	3,366
2022	2,504,454	40,492,267	1,067,784	10,180,000	6,413,487	20,593,235	29,545,000	81,107	110,877,334	17.58%	5,531

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
(1) See Table 15 for personal income and population data.

CITY OF PRINCETON, TEXAS **Table 11**
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(unaudited)

Fiscal Year	Estimated Population	Assessed Property Value (1)	Gross Bonded Debt (2)	Less: Debt Service Funds (3)	Net Bonded Debt	% Net Bonded Debt to Assessed Property Value	Net Bonded Debt Per Capita
2013	7,469	$ 277,934,890	$ 7,145,721	$ 429,895	$ 6,715,826	2.57%	$ 957
2014	8,769	301,605,545	6,671,078	431,132	6,239,946	2.21%	761
2015	9,356	344,070,465	7,565,315	386,489	7,178,826	2.20%	809
2016	10,632	384,970,675	10,356,884	389,971	9,966,913	2.69%	974
2017	10,632	462,538,583	18,133,515	550,692	17,582,823	3.92%	1,706
2018	12,822	618,122,652	18,704,634	659,744	18,044,890	3.03%	1,459
2019	12,822	842,720,377	22,834,000	896,725	21,937,275	2.71%	1,781
2020	16,500	1,039,113,714	37,877,400	1,394,096	36,483,304	3.65%	2,296
2021	18,388	1,326,386,674	35,878,200	2,320,500	33,557,700	2.70%	1,951
2022	20,046	1,637,195,203	53,176,721	4,922,502	48,254,219	3.25%	2,653

Source:
(1) Collin County Appraisal District
(2) Schedule of Bonds Payable and total bonds for fiscal year
(3) Schedule of General Long-term debt and statistical section

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

CITY OF PRINCETON, TEXAS **Table 12**
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
FOR THE YEAR ENDED SEPTEMBER 30, 2022
(unaudited)

Governmental Subdivision	Gross Bonded Debt	Percentage of Debt Applicable to Area	City Share of Overlapping Debt
Collin County	$ 543,645,000	0.95%	$ 5,164,628
Collin County CCD	498,565,000	0.95%	4,736,368
McKinney Independent School District	533,850,000	0.14%	747,390
Princeton Independent School District	348,369,235	68.42%	238,354,231
	$ 1,924,429,235		$ 249,002,616
City of Princeton			$ 53,176,721 *
			$ 302,179,337
Ratio of overlapping debt to taxable assessed valuation (valued at 100% of market value)			18.46%
Per capita overlapping bonded debt			$ 15,074

Source: "Texas Municipal Report" as of September 30, 2022, prepared by the Municipal Advisory Council.

* Gross debt. Some debt may be supported by other revenues and thus be considered self-supporting debt. Using gross debt may overstate the actual amount of debt supported by ad valorem taxes.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Princeton. This process recognizes that, when considering the City of Princeton's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using the taxable assessed property values. Applicable percentages were estimated by determining the portion of the overlapping government's taxable assessed value that is within the City of Princeton's boundaries and dividing it by the overlapping government's total taxable assessed value.

CITY OF PRINCETON, TEXAS
LEGAL AND DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(unaudited)

Table 13

	FISCAL YEAR									
	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Tax Limit Rate	$ 2.50	$ 2.50	$ 2.50	$ 2.50	$ 2.50	$ 2.50	$ 2.50	$ 2.50	$ 2.50	$ 2.50
Current Tax Rate	0.728394	0.738999	0.738999	0.721800	0.691886	0.689890	0.688820	0.676299	0.651215	0.602549
Available Tax Rate	$ 1.7716	$ 1.7610	$ 1.7610	$ 1.7782	$ 1.8081	$ 1.8101	$ 1.8112	$ 1.8237	$ 1.8488	$ 1.8975

Legal Debt Margin Calculation for Fiscal Year 2022

Taxable assessed value	$ 1,637,195,203
Add back exempt real property	253,916,574
Total assessed value	$ 1,891,111,777
Debt limit (10% of total assessed value)	
Debt applicable to limit:	
Property tax supported debt	$ 53,176,721
Less: Amount set aside for repayment of general debt	(4,922,502)
Total net debt applicable to limit	$ 48,254,219
Legal debt margin	2.55%

CITY OF PRINCETON, TEXAS **Table 14**
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS
(unaudited)

	Water and Sewer Revenue Bonds					
Fiscal Year	Total Revenues (1)	Less: Operating Expenses (2)	Net Available Revenue	Annual Requirements		Times Coverage
				Principal	Interest	
2013	$ 4,383,979	$ 3,449,737	$ 934,242	$ 251,800	$ 429,508	1.37
2014	4,815,894	3,223,135	1,592,759	277,000	413,325	2.31
2015	5,218,120	3,418,349	1,799,771	288,300	401,744	2.61
2016	6,765,321	4,722,866	2,042,455	320,700	166,409	4.19
2017	6,824,537	5,163,318	1,661,219	298,400	342,428	2.59
2018	8,901,145	6,015,505	2,885,640	1,133,551	562,245	1.70
2019	10,026,242	7,365,838	2,660,404	313,400	285,866	4.44
2020	12,177,286	8,683,551	3,493,735	345,800	256,634	5.80
2021	14,011,112	9,223,155	4,787,957	764,500	682,970	3.31
2022	19,994,700	10,386,712	9,607,988	296,700	1,014,613	7.33

Note: (1) Total Revenues does not include non-operating revenues
(2) Operating expenses only - does not include transfers or deprecation

CITY OF PRINCETON, TEXAS **Table 15**
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(unaudited)

Fiscal Year	Estimated Population (1)	Personal Income	Per Capita income (2)	Average Age (3)	Grade School Enrollment (4)	Unemployment Rate (5)
2013	7,469	$ 168,844,214	$ 22,606 *	31	1,853	8.30%
2014	8,679	187,761,486	21,634	34	1,954	5.70%
2015	9,356	191,461,184	20,464	36	1,798	4.20%
2016	10,362	224,565,264	21,672	36	1,798	4.30%
2017	10,362	263,909,778	25,469	34	1,950	3.60%
2018	12,822	326,563,518	25,469	34	2,090	3.60%
2019	12,822	466,746,444	36,402	33	2,131	2.90%
2020	16,500	643,648,500	39,009	33	2,587	3.20%
2021	18,388	518,449,660	28,195	33	2,752	3.90%
2022	20,046	630,566,976	31,456	33	3,967	3.80%

Sources:

1 United States Census Bureau
2 United States Census Bureau
3 United States Census Bureau
4 Princeton ISD
5 Texas Workforce Commission - (data for Collin County)
* - Estimated by NCTCOG

CITY OF PRINCETON, TEXAS **Table 16**
PRINCIPAL EMPLOYERS
SEPTEMBER 30, 2022
(unaudited)

	2022	
Name of Employer	**No. of Employees**	**Rank**
Princeton Independent School District	897	1
Walmart	300	2
City of Princeton	98	3
Villa Asuncion	70	4
McDonalds	36	5
Jack in the Box	25	6
Charley's Concrete	20	7
Tractor Supply	19	8
Taco Bell	12	9
First Bank and Trust	10	10
Totals	1,165	

	2013	
Name of Employer	**No. of Employees**	**Rank**
Villa Asuncion	58	1
City of Princeton	38	2
McDonald's	36	3
Taco Bell	28	4
Jack in the Box	23	5
Dollar General	10	6
Citizens State Bank	10	7
Family Dollar	5	8
Big G Auto	5	9
O'Reilly Auto Parts	5	10
	218	

Note: Total employment within City is not available

CITY OF PRINCETON, TEXAS **Table 17**
FULL-TIME EQUIVALENT CITY GOVERNMENT
EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(unaudited)

	FISCAL YEAR				
Function/Program	**2013**	**2014**	**2015**	**2016**	**2017**
General Government	5	5	5	5	6
Police	,12	,12	13	12	15
Fire	1	1	1	9	16
Municipal Court	3	3	2	3	3
Development/Code Enforcement	2	4	4	3	4
Library	1	1	1	2	2
Community Relations	0	0	1	1	1
Municipal Services	0	0	0	0	0
Streets	2	2	2	3	3
Facilities	0	0	0	4	4
Parks and Recreation	0	0	0	3	4
Utility Administration	3	3	3	3	3
Water, Sewer	5	6	6	7	9
Storm Water	0	0	0	0	2
Total	**36**	**36**	**39**	**39**	**43**

	FISCAL YEAR				
Function/Program	**2018**	**2019**	**2020**	**2021**	**2022**
General Government	6	8	7	7	8
Police	21	26	29	29	31
Fire	17	17	23	25	25
Municipal Court	3	3	4	4	4
Development/Code Enforcement	5	6	8	9	11
Library	3	3	3	3	3
Marketing & Community Events	1	1	3	2	2
Municipal Services	0	0	1	1	1
Streets	3	3	5	5	7
Facilities	5	5	5	5	6
Parks and Recreation	6	6	8	8	10
Utility Administration	4	4	4	4	5
Water, Sewer	12	12	12	14	15
Storm Water	3	3	2	1	1
Total	**55**	**72**	**114**	**117**	**129**

Source: City of Budget book
*- Beginning in FY2008, Parks, Streets, and Municipal Services were combined.
In FY2016, Parks, Facilities, and Streets are separate departments

CITY OF PRINCETON, TEXAS **Table 18**
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS
(unaudited)

	FISCAL YEAR									
Function/Program	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Police										
Physical arrests	296	352	236	364	378	591	452	353	492	
Traffic violations	2,750	2,706	1,992	4,454	6,460	2,861	2,704	1,819	1,979	1,548
Fire										
Number of calls answered	1,355	1,536	1,555	1,929	2058	2320	2420	2583	2409	3382
Water/Sewer										
New connections	593	568	301	656	315	724	668	1,108	1,384	1,272
Avg daily consumption (gallons)	1,153,000	1,054,000	1,149,000	1,250,000	1,281,417	1,453,000	1,570,000	1,919,586	2,116,000	2,818,537
Water main breaks	175	188	193	143	155	282	577	269	271	488

Sources: City departments

CITY OF PRINCETON, TEXAS **Table 19**

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

(unaudited)

	FISCAL YEAR									
Function/Program	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Police										
Police stations	1	1	1	1	1	1	1	1	1	1
Patrol units	9	11	11	12	14	15	16	20	21	23
Number of officers	,12	,12	13	12	15	15	24	25	27	29
Fire										
Fire Stations	1	1	1	1	1	1	1	1	2	3
Number of firefighters	1	1	1	9	16	17	18	23	25	25
Number of volunteer firefighters	12	16	24	22	24	24	20	16	8	4
Streets										
Streets (miles)	24	26	28	64	69	61.3	75.5	88.9	112.9	115.43
Number of street lights	202	232	246	309	361	420	608	785	1102	1523
Water/Sewer										
Water lines (miles)	27.5	27.5	30	58.8	69	80	95.7	101.9	117.3	140.64
Sanitary sewer (miles)	50.5	50.5	53	44.8	50	60.4	76.7	83.0	110.9	140.75

Sources: City departments

PRINCETON

TEXAS